THE INDIAN COTTON TEXTILE INDUSTRY— (1949 ANNUAL)

Editor: **M. P. GANDHI,**

Proprietor, Bombay Commercial Corporation; Member, Co-ordinating Committee, All-India Council of Technical Education; Member, Governing Body, Indian Council of Agricultural Research; Member; Standing Handloom Committee, etc.

WITH A FOREWORD BY
THE HON'BLE SHRI K. C. NEOGY,
Minister for Commerce, Government of India.

"... Mr. M. P. Gandhi has covered a wide field and offers useful suggestions for the solution of the many problems with which the industry is faced at present. Mr. Gandhi's *Annual*, with its wealth of statistical and reading material, bears the impress of care and thoroughness."

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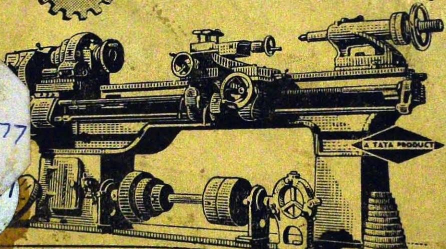

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FOREWORD

BY

The Hon'ble SHRI K. C. NEOGY,

Minister for Commerce, Government of India.

The Cotton Textile Industry is a shining example of national achievement in the industrial sphere. Thanks to the untiring efforts and enormous sacrifice of the pioneers of this industry, who have had to fight their way against heavy odds in the formative stages of its development, it now occupies a pre-eminent position in our national economy. The growth of this important industry can be gauged from the trends of imports and exports of cotton textiles. In 1938-39, India imported 647.3 million yards (15 per cent of the internal production), whereas in 1948-49 imports amounted to only 47.4 million yards, which is hardly 1 per cent of Indian mill production. While imports have thus steadily declined, exports have gone up considerably. The export of Indian cotton piecegoods received a great fillip during the war years, and the highest export figure in the past was attained in 1942-43 when exports from India amounted to more than 800 million yards as compared to the pre-war average of about 200 million yards. After the termination of the war there was a gradual fall in exports. Nevertheless, cotton piece-goods continued to be the third largest item in our export list from the point of view of foreign exchange earnings. Exports in recent months show a steady upward trend ; but there is no room for complacency, and determined efforts have to be made if our target is to be attained. Although devaluation of the Rupee has made Indian piecegoods somewhat cheaper than those of some of her competitors, the possibility of our goods being priced out of the overseas markets due to keen international competition has to be constantly kept in mind. We should not only try to expand our exports to our traditional markets, but also capture new markets. The importance of increased exports to the national economy at the present juncture cannot be over-

emphasized, and I have no doubt that the industry will play its part in the drive for more exports, in spite of the difficulties confronting it particularly in the matter of supply of raw cotton.

In his lucid and comprehensive survey of the Cotton Textile Industry, Mr. M. P. Gandhi has covered a wide field and offers useful suggestions for the solution of the many problems with which the industry is faced at present. Mr. Gandhi's *Annual*, with its wealth of statistical and reading material, bears the impress of care and thoroughness and should serve as a useful book of reference to all those interested in the Cotton Textile Industry.

K. C. NEOGY.

NEW DELHI,
24th November 1949.

IMPORTANT NOTE

Import Duty on Yarn removed from 23rd October 1948

Please make the following alteration in Item No. 47 (6) regarding import duty on cotton yarn, in page viii of "The Cotton Industry at a Glance":

In respect of the standard rate of duty, which is shown in column 4 at 6 per cent, 7½ per cent, 5 per cent, and 6¼ per cent, please substitute the word "free".*

* *Vide* notification of the Government of India, Ministry of Finance (Revenue Division), Notification No. 45—Customs of the 23rd October 1948. Cotton Yarn is exempt from payment of customs duty.

Export Duty on Cotton raised to Rs. 100 per bale

The Government of India raised the export duty on raw cotton from Rs. 40 to Rs. 100 per bale with effect from 18th November 1949, under the Export Duties (Emergency Provisions) Ordinance, 1949. Export of cotton is only allowed at present to hard currency countries owing to internal shortage. (See pp. xviii of "At a Glance".)

PREFACE

In the preface of the last *Annual*, we had stated that the reimposition of textile control would be interesting to watch. The developments during the year 1948-49, particularly since the middle of 1949, have invested every single aspect of the industry with great interest. In contrast to the familiar problems of high and sustained consumer demand, inadequate production, black-marketing, poor transport facilities, we have now quite the reverse set. As has been discussed in the pages of this *Annual*, demand is tapering off, with more momentum than is good for the basic health of our textile economy. Production has fallen off precisely because stocks with the mills have accumulated, leading to closure of many mills and consequent unemployment for thousands of textile workers; cloth is available at the stamped prices, if not lower; stocks of handloom fabrics are piling up; handloom production is on the decline; a large number of weavers are losing employment and there is demand for demarcation of field of production of cloth by handlooms—a field in which Indian mills should not enter; the railways have moved stocks as quickly as possible. The wheel has therefore turned a semi-circle, and the problems of yesterday are no more the teasers they were, but new problems have emerged.

Relaxation of Control

In September 1949, a conference of textile interests clamoured for removal of control on the ground that the depressed conditions in the industry warranted such a step. The Government have not yielded to the demand for decontrol because their memory of decontrol is still recent and painful. Instead, they have widened the channels of distribution, to help in the reduction of stocks lying unmoved with the mills. Although this will go some way to reduce stocks, we are not so sure that it will provide a complete remedy to the situation. They have also modified the control on production to allow the mills more freedom to satisfy consumer tastes. The question of reservation of certain kinds of cloth exclusively for production by the handlooms as recommended by a Special Committee (of which I had the honour to be a member) which met at Bombay on the 7th November 1949, is under examination by Government, and it appears that some action will be taken before long by Government to save the handloom industry from its present plight.

Reduction of Cost of Production essential

In our opinion, a stage has been reached when demand for cloth in India is likely to fall because there is unemployment everywhere

and purchasing power has declined. The natural corrective, viz. a material downward adjustment of prices, has not been coming into play as yet (a reduction of 10 per cent in cloth prices from November 1949, has been effected), and hence, demand will continue to be poor. On the other hand, the scope for reduction of prices, which alone can stimulate demand somewhat, is unfortunately very negligible. Assuming for the moment that the mills are prepared to work on a lower quantum of profits, the fact remains that the cost of raw materials such as raw cotton, textile accessories, dyes and chemicals, is still prohibitively high, while of course there seems to be no question of wage reduction in the present delicate labour situation, unless Government and labour take a more rational and realistic view in appreciation of the altered circumstances. The sellers' markets which had predominated throughout the war years, are fast giving place to discriminating purchases by buyers, and internal competition has begun to appear. This makes the need of rationalisation and rehabilitation urgent. We recommend with emphasis that labour and Government should consider the situation coolly and see that it is possible for the industry to continue to function satisfactorily. The ever-increasing burden of cost of labour should be brought down by a greater efficiency on the part of labour which should take up an appropriate increase in work-load on a rational basis. If immediate action is not taken, it will lead to closing of mills and unemployment, with all the inevitable consequences flowing therefrom.

Raw Cotton position not reassuring

If the next cotton crop in India turns out to be bigger as expected, raw cotton supplies might be better, but the dependence on imported cotton with its high prices is still acute, and it looks as if it would take some years before the adverse effects of partition on our cotton economy can be overcome. The growth of medium and higher staples is a difficult and laborious process, not to mention the difficulty of the campaign for self-sufficiency in food militating against larger cultivation of cotton. Raw cotton prices should come down, for then only can cloth prices be worked down. And it would be unfair to ask the cotton cultivator to be satisfied with lower prices unless the general economic situation is so managed that the cost of living is brought down. That, in turn, hinges round many other imponderable factors. Suffice it therefore to say that the high price structure of the textile industry—for that matter, of any large-scale industry in India—is going to be a severe handicap for some years. In this situation, we would recommend to our socialist friends to go a little slower in pressing their demands for profit-

sharing, industrial housing, and other schemes of an opulent welfare State.

Financial Situation in Country causing Worry

The efficiency of the mill industry has unfortunately been at a low ebb owing to the difficulty of obtaining equipment and replacements at economical costs. Even if a position is reached in which textile equipment is available at favourable prices and in appreciable quantities, we doubt whether the mill industry can take advantage of such a favourable turn of events. This is because the financial situation is so acute. The reserves of many mills are hardly adequate for necessary replacement: and recourse to the capital market is simply out of the question because of the tight monetary situation. The days of Managing Agents generously lending to their concerns at a pinch have gone by, while easy raising of capital through loans, issue of debentures, etc. has become an equally difficult matter.

Consequences of Devaluation of Currency

On the night of the 18th September 1949, Sir Stafford Cripps announced that sterling had been devalued in terms of the dollar. This made monetary history. The devaluation of the rupee *vis-a-vis* the dollar has introduced a lot of complications into the economy of India. The devaluation of sterling was from 4.03 U.S. dollars to the £ to 2.80 U.S. dollars to the £. The extent of this devaluation works out to 30.52 per cent and the rupee has likewise been devalued to the same extent in terms of the dollar. (From 30.225 cents per rupee to 21.000 cents.) This is understandable since the link with sterling is to be preserved at least for some years in view of our close connections with the sterling area. It is too early to assess precisely the effects of the rupee devaluation on Indian industries and commodities. Devaluation should stimulate exports and reduce imports, according to classical theory. In other words, the export goods become cheaper in non-sterling areas, while imported goods become dearer as compared with the prices before devaluation. This is on the assumption that the internal price levels in the respective countries will remain steady. Viewed in this way, our textile exports (both of short-staple raw cotton, and piecegoods) should receive a stimulus. Likewise, devaluation means that our imports should be severely curtailed. This has been done by the authorities and the balance of trade is far less adverse from September 1949 onwards. In fact, we should have a favourable balance of trade in merchandise from November 1949 onwards.

As already stated, the exact effects of devaluation on the price structure cannot be gauged precisely just now. But we may refer to the complication introduced by the decision of Pakistan not to devalue her rupee. This would affect the price at which India can obtain cotton from Pakistan. Representations made to that Government have not proved fruitful but the matter is going to be discussed at the Inter-Dominion meeting when the existing commercial understanding will be reviewed. There is, however, no doubt that Indian exports, particularly textile piecegoods, should make impressive showing in the next few months. From this point of view, devaluation is welcome. It has not had much effect in raising prices within India and has therefore not been as inflationary as many apprehended.

Cloth Exports on the increase ; Internal Consumption will decline

With the encouragement for export created by devaluation, we believe that it should be possible to export about 800 million yards of cloth by the end of March 1950, and almost an equal, if not slightly higher quantity in 1950-51. The Export Promotion Committee has stated that this should be the target aimed at, and it adds that this figure has been arrived at on the basis of India's current production and after allowing for an average consumption of 13 yards per head annually. The Export Promotion Committee also believes that higher internal consumption than this does not seem likely in the next two years. Looking to the present economic conditions in India, the position of stocks with the mills and handlooms, the increasing cost of production, the necessity of reducing prices for inducing the consumer to purchase cloth, the consequent prospect of some mills closing down due to their uneconomic working, etc. we feel that the production of cloth may not go up, and hold the view that during the next two years, our *per capita* consumption of cloth may not increase, however much we may like that it should.

Great Importance of Textile Industry in India's Economy

The Cotton Textile Industry, which is by far the single largest industry in the country, has a block capital of well over Rs. 100 crores, provides employment for 7,00,000 workers, works over 10.3 million spindles and 2,03,000 looms producing well over 1,400 million lbs. of yarn, and weaving 4,300 million yards of cloth and consuming about 42 lakhs bales of cotton of which about 35 lakhs bales are Indian cotton, annually. A major portion of the surplus yarn of the mills is supplied for the handloom production on a cottage industry basis whose present volume of production is approximately 1,300 million yards annually.

(In 1949-50, it will be considerably smaller, due to the loss of foreign markets, and the fall in demand generally.) It will be interesting to note that the annual value of production of the entire mill industry at the current prices will work out to approximately Rs. 500 crores, while the value of production of the entire handloom industry will work out to approximately Rs. 100 crores (Rs. 600 crores in all).

The handloom industry is an intergral part of the cloth manufacturing industry of the country and occupies an extremely important position in the country's economy as it supports approximately 25 lakhs weavers, and if their dependants are counted, about 100 lakhs of people. Further, the handloom industry is completely independent of any imported machinery and raw material. It is gratifying to note that since April 1949, the Government have started taking a keen interest for safeguarding this industry. The Government have appointed a Standing Handloom Committee, and given an initial grant of Rs. 10 lakhs to this body for helping this largest cottage industry.

The Indian Cotton Textile Industry, which has been built up and developed during the last 100 years, is the most magnificent example of national achievement in the industrial sphere and is a symbol of India's potentialities as an industrial country, and which deserves State help for stabilisation and further expansion. The development of such an important industry on sound and efficient lines should be the paramount duty of everyone having the welfare of the country at heart. We may state that it has been the aim of the Government to increase the production capacity of the industry by about 3 million spindles. When this expansion programme is fulfilled, it will be possible to produce 1,700 million yards of additional cloth, raising the total available quantity to about 7,000 million yards. For the immediate present, however, this expansion programme will have to be delayed, for various reasons.

Notes Re : " At a Glance ", and Appendices

We invite the careful attention of the readers to the earlier portion of the *Annual* entitled " Cotton Industry at a Glance ". It contains 20 statistical tables brought up-to-date in regard to various matters concerning the industry both in India and Pakistan. We have also appended texts of important Government resolutions on relaxation and re-imposition of control over textiles, of the Cotton Textile (Control) Order, 1948, and the Cotton Textiles (Control of Movement) Order, 1948. We have also given a list of the members of the Textile Advisory Committees, and of the Standing Handloom Committee, appointed in April 1949.

[The latest notification announcing reduction in prices of cloth and yarn with effect from 1st November 1949, is given on page 88.]

We have dealt at length with problems pertaining to cultivation, export, import, consumption and prices of raw cotton in Appendix "A", in the hope that it will be useful to Commerce students who have to study the subject as part of the B.Com. course.

In view of the great importance of the handloom industry, and its potentialities of development in the future, its problems have been treated at considerable length in Appendix "B", where we have given a lot of fresh data relating to this industry, derived from sources both official and non-official.

We have appended as usual a fully revised list of mills, with their spindles and looms, and names of Managing Agents as the last Appendix to this *Annual*. The mills in Pakistan have been shown separately.

We are indebted to the Hon'ble Mr. K. C. Neogy, our Commerce Minister, for adding to the value of this publication, by writing a foreword, in the midst of considerable pressure of work.

We are grateful to Mr. T. P. Barat, Textile Commissioner, for the willingness with which he has assisted us in bringing out this publication with its detailed statistics in an up-to-date form.

We are thankful to the various progressive companies for the utilisation of our *Annual* as a medium for displaying their advertisements.

We will appreciate suggestions from readers for enhancing the utility of this publication to the industry, universities and their research departments, commercial community, officials, non-officials and the general public interested in the study of the vicissitudes of this largest national industry of India.

We have to explain that the delay in the publication of this *Annual* has been due to the change in the Government's policy in regard to control over this industry announced as late as September 1949. We have reproduced the latest Government communique on the subject along with the texts of the various Control Orders amended up-to-date. We have also passed under review the last measures of the Government re: Cotton, prices of Cloth and the economic situation in India. We have no doubt that the readers will appreciate this and excuse us for the delay in its publication for these weighty reasons.

C/o Gandhi & Co.,
Jan Mansion,
Sir Pherozshah Mehta Road,
Fort, Bombay 1,
20th November 1949.

M. P. GANDHI,
Editor, Indian Cotton Textile Industry *Annual*.

THE COTTON INDUSTRY AT A GLANCE (1949)

NOTE.—Due to the delay in the publication of official statistics, we have experienced some difficulty in giving the latest figures in many instances. An attempt is, however, made to furnish such authoritative figures compiled from various official and reliable non-official sources. We have added some new, useful, complete, and up-to-date statistics in this *Annual*.

TABLE No. 1

Progress of Cotton Mills in India from 1938 to 1948

Year ending 31st August	Number of Mills	Number of Spindles installed (Figures in thousands)	Number of Looms installed (Figures in thousands)	Average No. of hands employed	Approximate quantity of cotton consumed (Bales of 392 lbs.)
1938	380	10,020	2,00	4,38	3,663
1939	389	10,059	2,01	4,41	3,812
1940	388	10,058	2,00	4,30	3,680
1941	390	9,961	1,99	4,60	4,251
1942	396	10,026	2,00	4,80	4,740
1943	401	10,130	2,01	5,03	4,890
1944	405	10,197	2,02	5,04	4,843
1945	417	10,238	2,02	5,10	4,909
1946	421	10,305	2,03	4,95	4,550
1947	423	10,354	2,03	4,88	3,972
1948	422	10,433	2,02	4,76	4,282
		Pakistan Only (Actual No.)			
1948	16	1,77,467	4,864	9,628	162,171

TABLE No. 2

Indian Cotton Crop (Acreage and Yield) from 1938 to 1948

Season	Area in thousands of acres	Estimated Yield in thousands of bales of 400 lbs. each	Jarilla average price per candy of 784 lbs.	Estimated approximate money value of crop in lakhs of Rs.
1938–39	23,490	5,051	157*	43,31
1939–40	21,580	4,909	227*	54,07
1940–41	23,311	6,080	212*	49,06
1941–42	24,151	6,223	201*	49,75
1942–43	19,203	4,702	458	67,00
1943–44	21,086	5,259	451	89,00
1944–45	14,843	3,580	436	64,75
1945–46	14,668	3,530	448	75,25
1946–47	14,860	3,566	456	89,75
1947–48†	10,932	1,846	545	77,50
1948–49†	11,055	1,846	—	—

* Average Broach price.
† (Indian Union)

TABLE No. 3

Imports of Raw Cotton into India (1938 to 1948)

Year (April–March)	From U.S.A. Quantity Tons	Value in 000's Rs.	From Egypt Quantity Tons	Value in 000's Rs.	From Kenya Quantity Tons	Value in 000's Rs.	Total Quantity in Tons	Total Value in 000's Rs.
1938–39	4,580	3,747	18,990	18,720	56,112	47,348	96,374	85,092
1939–40	9,204	8,872	25,498	26,483	32,125	28,725	83,665	80,544
1940–41	8,704	8 041	22,307	26,204	31,578	31,628	89,082	94,692
1941–42	201	220	34,026	41,761	62,676	64,627	137,548	153,442
1942–43	2	2	36,329	75,005	24,515	33,275	87,575	154,248
1943–44	—	—	43,431	102,067	10,860	24,161	76,102	175,276
1944–45	—	—	49 659	150,569	30,490	67,901	89,717	240,061
1945–46	245	712	38,783	122,279	37,581	83,890	86,009	228,665
1946–47	3,737	9,233	43,575	134,122	30,875	69,520	98,997	259,167
1947–48	626	1,772	59,589	189,535	31,252	72,056	112,894	311,717

TABLE No. 4

Exports of Indian Raw Cotton to other Countries (1937 to 1948)

Year (April-March)	U.K. Quantity Tons	U.K. Value in 000's Rs.	Japan Quantity Tons	Japan Value in 000's Rs.	Total Quantity Tons	Total Value in 000's Rs.
1937–38	70,554	42,756	242,695	1,47,802	487,764.	2,97,725
1938–39	73,379	35,458	216,301	1,12,736	482,658	2,46,665
1939–40	84,406	52,378	188,570	1,07,650	526,516	3,01,118
1940–41	52,840	32,993	125,889	70,486	387,977	2,35,625
1941–42	97,747	64,660	68,672	40,008	256,811	1,59,464
1942–43	40,943	26,262	—	—	53,720	36,420
1943–44	32,131	43,462	—	—	50,281	63,635
1944–45	41,726	56,511	—	—	56,918	69,338
1945–46	39,006	47,380	—	—	135,945	1,39,156
1946–47	19,065	25,065	—	—	162,718	2,25,422
1947–48	29,784	42,741	—	—	209,307	2,47,529

TABLE No. 5

Yearly Mill Consumption of Cotton in India by Varieties (1937 to 1948)

[All figures in 000's of bales regardless of weight.]

Year ending		Indian	American	Egyptian	Sundries	Total
31st July	1937	2,545	18	56	335	2,954
" "	1938	2,933	55	63	351	3,402
" "	1939	3,036	100	60	358	3,554
" "	1940	2,995	63	70	299	3,427
" "	1941	3,591	75	68	303	3,837
" "	1942	3,842	27	88	436	4,393
" "	1943	4,107	27	82	324	4,540
" "	1944	4,091	Nil	184	315	4,590
" "	1945	4,159	6	155	398	4,718
" "	1946	4,495	12	141	372	5,020
" "	1947	3,162	5	154	377	3,698
" "	1948	3,456	2	177	318	3,953

TABLE No. 6

Consumption of INDIAN Cotton in the Various Provinces of British India and Indian States during the last 7 years upto 1947-48

(Based on returns made under the Indian Cotton Cess Act)

(Figures in thousand bales of 400 lbs.—September-August.)

BRITISH INDIA : Year	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	(Union of India) 1947-48
Bombay Island ...	1,058	1,271	1,199	1,224	1,124	842	986
Ahmedabad ...	415	365	429	402	383	296	382
Bombay Presidency ...	1,764	1,939	1,907	1,911	1,769	1,366	1,611
Madras Presidency ...	594	647	597	604	566	455	498
United Provinces ...	427	437	414	411	369	300	336
C.P. & Berar ...	179	174	148	170	156	142	156
Bengal ...	126	136	138	136	129	101	109
Punjab and Delhi ...	180	182	183	181	168	144	88
Rest of British India ...	56	59	52	52	54	50	46
Total of British India ...	3,325	3,575	3,438	3,465	3,211	2,558	2,844
Total of Indian States ...	690	731	678	695	660	594	656
Total for India ...	4,025	4,306	4,116	4,160	3,871	3,152	3,500

TABLE No. 7

Imports of Cotton Twist and Yarn into India (1937 to 1948)

(000's omitted)

Year (April-March)	U.K. Quantity lbs.	U.K. Value Rs.	Japan Quantity lbs.	Japan Value Rs.	Total (all countries) Quantity lbs.	Total (all countries) Value
1937–38	6,632	7,763	14,643	16,824	21,998	73
1938–39	4,681	7,945	21,169	17,690	36,459	91
1939–40	2,829	3,164	27,164	24,211	41,132	96
1940–41	1,297	1,963	11,822	13,484	19,334	95
1941–42	370	848	4,207	7,283	8,173	05
1942–43	60	141	...	...	945	32
1943–44	66	136	...	...	630	84
1944–45	45	121	...	...	192	02
1945–46	123	368	...	...	123	68
1946–47	151	649	...	...	217	18
1947–48 (Union)	2,413	9,998	25	67	8,791	73

TABLE No. 8

Imports of Cotton Manufactures into India (1937 to 1948)

(000's omitted)

Year (April-March)	U.K. Quantity Yds.	U.K. Value Rs.	Japan Quantity Yds.	Japan Value Rs.	Total (all countries) Quantity Yds.	Total (all countries) Value Rs.
1937–38*	244,606	64,207	306,202	45,935	590,950	1,16,936
1938–39	205,536	46,256	424,808	51,339	647,264	1,02,744
1939–40	144,562	36,165	393,373	51,276	579,002	96,493
1940–41	56,146	19,347	368,086	56,569	446,976	80,818
1941–42	31,213	15,416	135,684	24,858	181,539	44,531
1942–43	11,764	7,275	...	...	15,759	8,386
1943–44	3,275	2,072	...	...	3,730	2,418
1944–45	4,866	3,074	...	...	5,205	2,228
1945–46	2,639	3,300	...	...	3,184	4,313
1946–47	6,909	10,178	...	...	16,150	23,887
1947–48 (Union)	10,571	19,766	...	...	26,537	42,405

* Excludes Burma from 1937-38.

TABLE No. 9

Exports of Cotton Twist and Yarn, and Cotton Piecegoods from India (1937 to 1948)

(000's omitted)

Year (April-March)	Twist and Yarn Quantity Yds.	Twist and Yarn Value Rs.	Piecegoods Quantity Yds.	Piecegoods Value Rs.
1937–38*	40,124	20,253	241,255	65,032
1938–39	37,960	18,781	176,992	47,938
1939–40	36,943	17,939	221,405	61,142
1940–41	77,723	40,912	390,144	106,432
1941–42	90,529	73,783	772,355	265,133
1942–43	34,210	38,175	817,991	387,565
1943–44	18 937 lbs.	31,487	461,337	364,920
1944–45	16,918 lbs.	22,808	423,021	337,930
1945–46	14,497 lbs.	14,805	440,510	295,187
1946–47	3,791 lbs.	4,418	318,019	249,247
1947–48 (Union)	42 lbs.	56	192,422	180,276

* Includes Exports to Burma from 1937-38.

TABLE No. 10

Quantities of Yarn Spun and Woven Goods manufactured in Indian Mills (1935 to 1948)

(000's omitted)

Year (April-March)	Yarn lbs.	Piecegoods Yds.
1935-36	1,059,117	3,571,371
1936-37	1,050,636	3,571,987
1937-38	1,160,716	4,084,276
1938-39	1,303,246	4,269,269
1939-40	1,234,873	4,012,259
1940-41	1,349,038	4,269,475
1941-42	1,577,177	4,493,613
1942-43	1,533,796	4,109,337
1943-44	1,680,463	4,870,687
1944-45	1,650,925	4,726,472
1945-46	1,614,817	4,675,634
1946-47	1,222,000	3,863,932
1947-48 (Union of India)	1,329,779	3,770,017
1948-49	Est. 1,476,405	4,298,690

TABLE No. 11

Changes in Customs Tariff on Cotton Yarn & Piecegoods in India since 1894 *

YARN (upto 31-3-1949)

All counts Date		Tariff Rates
From 10th March, 1894 to 26th Dec., 1894	...	Free
" 27th Dec., 1894 to 2nd Feb., 1896	...	5 p.c. *ad valorem.*
" 3rd Feb., 1896 to 28th Feb., 1922	...	Free
" 1st March, 1922 to 21st Sept., 1927	...	5 p.c. *ad valorem.*
" 22nd Sept., 1927 to 29th Sept., 1931	...	5 p.c. *ad valorem* or 1½ as. per lb. whichever is higher.
" 30th Sept., 1931 to 30th April, 1934	...	6¼ p.c. *ad valorem* or 1⅞ as. per lb. whichever is higher.

From 1st May, 1934 :—(Effective upto 31st March, 1949).

Schedule No. 47 (b).

Counts 50s and below :—

(i) British Manufacture	...	5 p.c. *ad valorem* or 1¼ as. per lb. whichever is higher plus 1/5th of the total duty.
(ii) Not of British Manufacture	...	6¼ p.c. *ad valorem* or 1⅞ as per lb. whichever is higher plus 1/5th of the total duty.

Counts above 50s :—

(i) British Manufacture	...	6 p.c. *ad valorem.*
(ii) Not of British Manufacture	...	7½ p.c. *ad valorem.*

COTTON PIECEGOODS (upto 31-3-1949)

Date		Tariff Rates.
From 10th March, 1894 to 26th Dec., 1894	...	Free
" 27th Dec., 1894 to 2nd Feb., 1896	...	5 p.c. *ad valorem.*
" 3rd Feb., 1896 to 6th March, 1917	...	3½ p.c. *ad valorem.*
" 7th March, 1917 to 28th Feb., 1921	...	7½ p.c. *ad valorem.*
" 1st March, 1921 to 3rd April, 1930	...	11 p.c. *ad valorem.*

* An excise duty was imposed on cotton piecegoods woven in Indian mills at the rate of 3½ per cent *ad valorem* from 1896. This excise duty was suspended in December 1925, and abolished in 1926. Imposed again from 1st March 1949 (pp. xviii).

Changed Classification. (From 4th April 1930)

Date		PLAIN GREY British Ad valorem %		As. per lb.	Foreign Ad valorem %		As. per lb.	OTHERS British Ad valorem %	Foreign Ad valorem %
		(whichever is higher)			(whichever is higher)				
4th April	1930	15	or	3½	20	or	3½	15	20
1st March	1931	20	or	3½	25	or	3½	20	26
30th Sept.	1931	25	or	4⅜	31	or	4⅜	25	31¼
30th Aug.	1932	25	or	4⅜	50	or	5¼	25	50
7th June	1933	25	or	4⅜	75	or	6¾	25	75
8th Jan.	1934	25	or	4⅜	50	or	5½	25	50
1st May	1934	25	or	4⅜	50	or	5¼	25	50

POSITION SINCE 1936

Under Government of India Notification No. 341-T(10)/36, dated the 25th June 1936, protective duties on cotton piecegoods were amended as under :—

Cotton fabrics, not otherwise specified, containing more than 50 per cent of Cotton :—

(i) Grey piecegoods (excluding bordered grey chadars, dhoties, saris and scarves)—

Of British Manufacture ... 20 p.c. *ad valorem* or 3½ as. per lb. whichever is higher.

Not of British Manufacture ... 50 p.c. *ad valorem* or 5¼ as. per lb. whichever is higher.

(ii) Cotton piecegoods and fabrics not otherwise specified—

Of British Manufacture ... 20 p.c. *ad valorem.*

Not of British Manufacture ... 50 p.c. *ad valorem.*

TABLE No. 12

Customs Duty in force upto 31st March 1947

Item No.	Name of article.	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of Burma.
	TEXTILE MATERIALS AND TEXTILE GOODS—		
48(1)	Fabrics, not otherwise specified, containing more than 90 per cent of artificial silk—		18 per cent *ad valorem*
	(a) of British manufacture ...	30 per cent *ad valorem* or 2½ annas per square yard, whichever is higher plus one-fifth of the total duty.	
	(b) not of British manufacture* ...	50 per cent *ad valorem* or 4 annas per square yard, whichever is higher plus one-fifth of the total duty.	

* Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

TABLE No. 12 (Contd.)

Item No.	Name of article.	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of Burma.
	TEXTILE MATERIALS AND TEXTILE GOODS—(contd.)		
48(3)	Cotton Fabrics, not otherwise specified, containing more than 90 per cent of cotton—		6 per cent *ad valorem.*
	(a) Grey piecegoods (excluding bordered grey chadars, dhoties, saris and scarves) :—		
	(i) of British manufacture[1]	15 per cent *ad valorem* or 2.5/8 annas per lb., whichever is higher plus one-fifth of the total duty.	
	(ii) not of British manufacture ...	50 per cent *ad valorem* or 5¼ annas per lb., whichever is higher plus one-fifth of the total duty.	
	(b) Printed piecegoods and printed fabrics—		
	(i) of British manufacture[2]	21 per cent *ad valorem.*	
	(ii) not of British manufacture	60 per cent *ad valorem.*	
	(c) Cotton piecegoods and fabrics, not otherwise specified—		
	(i) of British manufacture[3]	18 per cent *ad valorem.*	
	(ii) not of British manufacture	60 per cent *ad valorem.*	
*48(5)	Fabrics, not otherwise specified, containing not more than 10 per cent silk but more than 10 per cent and not more than 90 per cent artificial silk—		18 per cent *ad valorem.*
	(a) containing 50 per cent or more cotton—		
	(i) of British manufacture ...	30 per cent *ad valorem* or 2 annas per square yard, whichever is higher plus one-half of the total duty.	
	(ii) not of British manufacture[4]	50 per cent *ad valorem* or 3¼ annas per square yard, whichever is higher plus one-half of the total, duty.	
	(b) containing no cotton or containing less than 50 per cent cotton.		
	(i) of British manufacture ...	30 per cent *ad valorem* or 2½ annas per square yard, whichever is higher plus one-half of the total duty.	
	(ii) not of British manufacture[5]	50 per cent *ad valorem* or 4 annas per square yard, whichever is higher plus one-half of the total duty.	
48(9)	The following cotton fabrics, namely Sateens including Italians of Sateen weave, velvets and velveteens and embroidered all-overs—		6 per cent *ad valorem.*
	(a) Printed fabrics—		
	(i) of British manufacture[2]	21 per cent *ad valorem.*	
	(ii) not of British manufacture	42 per cent *ad valorem.*	
	(b) Other fabrics—		
	(i) of British manufacture[3]	18 per cent *ad valorem.*	
	(ii) not of British manufacture	42 per cent *ad valorem.*	

For figures 1, 2, 3, 4 and 5, see next page.
* Upto March 31st, 1949.

[1] Under Government of India, Commerce Department, notification No. 20-T.(17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 12½ per cent *ad valorem* or 2.3/16 annas per lb., whichever is higher plus one-fifth of the total duty.

[2] Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 18 per cent *ad valorem*.

[3] Under Government of India, Commerce Department, Notification No. 20-T.(17)/39, dated the 16th April 1940, the articles assessable under this sub-section are liable to duty at 15 per cent *ad valorem*.

[4] Under Government of India, Commerce Department, Notification No. 341-T.(6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent *ad valorem* or 5½ annas per square yard, whichever is higher plus one-fifth of the total duty.

[5] Under Government of India, Commerce Department, Notification No. 341-T(6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50 per cent *ad valorem* or 7 annas per square yard, whichever is higher plus one-fifth of the total duty.

[*For Tariff after 1st April, 1949, please see next page (Table No. 14)*]

TABLE No. 13

Total Production of Mill-made Cotton Cloth and Yarn in INDIA for 11 Calendar Years from 1938 to 1948

(000's omitted)

Period	TOTAL ALL-INDIA MILL PRODUCTION		
	Yarn Lbs.	Cloth	
		Lbs.	Yds.
1938	1,286,035	920,834	4,303,879
1939	1,264,010	899,661	4,113,547
1940	1,274,515	921,773	4,091,446
1941	1,537,811	1,087,138	4,530,678
1942	1,528,784	1,041,419	4,024,373
1943	1,670,075	1,175,137	4,715,255
1944	1,622,923	1,186 839	4,811 357
1945	1,625,351	1,179,537	4,687,589
1946	1,396,496	966,299	4,002,787
1947 (Union)	1,295,705	902,025	3,761,974
1948 (Union)	1,447,616	1,029,590	4,319,303

(As compiled by the Textile Commissioner, Bombay, from 1945 onwards)

The Production of Pakistan alone for 1948 is as follows:

(000's omitted)

No. of Mills	Spindles	Looms	Quantity of Yarn (approx)	Quantity of cloth (approx.)
16	167	4	30,000 lbs.	100,000 Yds.

TABLE No. 14

Revenue and Protective Duties on Cotton Piecegoods and Yarn from 1st April 1949.
Extract from the First Schedule appended to the Indian Tariff Act

Item No.	Name of Article	Nature of duty Protective or Revenue	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of:			Duration of protective rates of duty	Remarks
				The United Kingdom	A British Colony	Burma		
47(6)	Cotton twist and yarn, and cotton sewing or darning thread*—							* Under Government of India, Finance Department (Central Revenues) Notification No. 33, dated the 22nd June 1935, as amended subsequently, cotton sewing or darning thread wound on reels, balls, tubes, cards, bobbins, spools, cops, cheeses and cones is liable to duty at 6 per cent ad valorem when the thread is of British manufacture and at $7\frac{1}{2}$ per cent ad val. when it is of non-British manufacture.
	(a) of counts above 50's—							
	(i) of British manufacture	Revenue.	6 per cent ad valorem.	......	......			
	(ii) not of British manufacture.	Revenue.	$7\frac{1}{2}$ per cent ad valorem.	......	......			
	(b) of counts 50's and below—							
	(i) of British manufacture.	Revenue.	5 per cent ad valorem or $1\frac{1}{4}$ annas per lb., whichever is higher plus one-fifth of the total duty.	......	......			
	(ii) not of British manufacture.	Revenue.	$6\frac{1}{4}$ per cent ad valorem or $1\frac{7}{8}$ annas per lb., whichever is higher plus one-fifth of the total duty.	......	......			
48(1)	Fabrics, not otherwise specified, containing more than 90 per cent of artificial silk—					18 per cent ad valorem.		

(a) of British manufacture.	Protective.	30 per cent ad valorem or 2½ annas per sq yard, whichever is higher plus one-half of the total duty.	......	......		March 31st, 1951	* Under Govt. of India Commerce Dept. Notification No. 341-T. (6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50% ad val. or 7 annas per sq. yd., whichever is higher plus one-fifth of the total duty.
(b) not of British manufacture.*	Protective.	50 per cent ad valorem or 4 annas per sq. yard, whichever is higher plus one-half of the total duty.	......	......		March 31st, 1951	
48(3) Cotton fabrics not otherwise specified, containing more than 90 per cent of cotton—					6 per cent ad valorem.		
(a) Grey piecegoods (excluding bordered grey chadars, dhoties, saris and scarves)—							
(i) of British manufacture.†	Revenue.	15 per cent ad valorem or 2⅝ annas per lb., whichever is higher plus one-fifth of the total duty.	......	......			† Under Govt. of India, Commerce Dept. Notification No. 20-T. (17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 12½% ad val. or 2 3/16 annas per lb., whichever is higher plus one-fifth of the total duty.
(ii) not of British manufacture.	Revenue.	50 per cent ad valorem or 5¼ annas per lb., whichever is higher plus one-fifth of the total duty.	......	......			
(b) Printed piecegoods and printed fabrics—							
(i) of British manufacture.‡	Revenue.	21 per cent ad valorem.	......	......			‡ Under Govt. of India, Comm. Dept Notification No. 20-T. (17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 18% ad val.
(ii) not of British manufacture.	Revenue.	60 per cent ad valorem.	......	......			
(c) Cotton piecegoods and fabrics not otherwise specified—							
(i) of British manufacture §	Revenue.	18 per cent ad valorem.	......	......			§ Under Govt. of India, Commerce Dept. Notification No. 20-T. (17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 15% ad valorem.
(ii) not of British manufacture.	Revenue.	60 per cent ad valorem.	......	......			

Item No.	Name of Article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of: The United Kingdom	A British Colony	Burma	Duration of protective rates of duty	Remarks
48(5)	Fabrics, not otherwise specified, containing not more than 10 per cent silk but more than 10% and not more than 90 per cent artificial silk*—					22½ per cent ad valorem.		Under Govt. of India, Commerce Dept. Notification No. 341-T. (6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50% ad val. or 5½ annas per sq. yd., whichever is higher plus one-fifth of the total duty.
	(a) containing 50 per cent or more cotton—							
	(i) of British manufacture.	Protective.	30 per cent ad valorem or 2 annas per sq. yard, whichever is higher plus one-half of the total duty.	......	......		March 31st, 1951.	
	(ii) not of British manufacture.	Protective.	50 per cent ad valorem or 3¼ annas per sq. yard, whichever is higher plus one-half of the total duty.	......	......		March 31st, 1951.	
	(b) containing no cotton or containing less than 50 per cent cotton—					22½ per cent ad valorem.		
	(i) of British manufacture.	Protective.	30 per cent ad valorem or 2½ annas per sq. yard, whichever is higher plus one-half of the total duty.	......	......		March 31st, 1951.	† Under Govt. of India, Commerce Dept. Notification No. 341-T. (6)/41, dated the 21st July 1941, the articles assessable under this sub-item are liable to duty at 50% ad val. or 7 annas per sq. yd., whichever is higher plus one-fifth of the total duty.
	(ii) not of British manufacture†.	Protective.	50 per cent ad valorem or 4 annas per sq. yard, whichever is higher plus one-half of the total duty.	......	......		March 31st, 1951.	
48(7)	Fabrics, not otherwise specified, containing not more than 10 per cent silk or 10 per cent artificial silk or 10 per cent wool, but containing more then 50 per cent cotton and not more than 90 per cent cotton.					22½ per cent ad valorem.		
	(a) of British manufacture.	Protective.	37½ per cent ad valorem.	......	......		March 31st, 1951.	

	(b) not of British manufacture.	Protective.	75 per cent ad valorem.	......	......		March 31st, 1951.	
48(9)	The following cotton fabrics, namely, sateens, including Italians of Sateen weave, velvets and velveteens and embroidered all-overs—					6 per cent ad valorem.		Under Govt. of India, Commerce Dept. Notification No. 20-T. (17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 18% ad valorem.
	(a) Printed fabrics—							
	(i) of British manufacture *	Revenue.	21 per cent ad valorem.	......	......			
	(ii) not of British manufacture.	Revenue.	42 per cent ad valorem.	......	......			† Under Govt. of India, Commerce Dept. Notification No. 20-T. (17)/39, dated the 16th April 1940, the articles assessable under this sub-item are liable to duty at 15% ad valorem.
	(b) Other fabrics—							
	(i) of British manufacture †	Revenue.	18 per cent ad valorem.	......	......			
	(ii) not of British manufacture.	Revenue.	42 per cent ad valorem.	......	......			
49.	Textile manufactures, the following articles when made wholly or mainly of any of the fabrics specified in—			......	......	The ad valorem rates of duty applicable to the Burmese fabric of which the article is wholly or mainly made.	The duration applicable to the fabric of which the article is wholly or mainly made.	
	(a) Item No. 48, 48(1), 48(4) 48(5), or 48(7),—	Protective.	The ad valorem rates of duty applicable to the fabric of which the article is wholly or mainly made.	......	......			
	(b) Item No. 48(3) if of British manufacture, or other than crossstitched, drawn thread, or otherwise embroidered if not of British manufacture, 48(9) or 48(10) whether of British manufacture or otherwise.	Revenue.	The ad valorem rates of duty applicable to the fabric of which the article is wholly or mainly made.	......	......			

Item No.	Name of Article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of:			Duration of protective rates of Duty	Remarks
				The United Kingdom	A British Colony	Burma		
	(c) Item No. 48(3) (if not of British manufacture and if cross stitched, drawn-thread or otherwise embroidered.) Bed sheets; Bedspreads Bolster cases; Counterpanes; Cloths, table; Cloths, tray; Covers, bed; Covers, table; Dusters; Glass-cloths; Handkerchiefs; Napkins; Pillow cases; Pillow slips; Scarves; Shirts; Shawls; Sacks (cotton); Towels; Umbrella coverings.	Revenue.	50 per cent ad valorem.	......	......		......	
49(1)	Fents, being bona fide remnants of piecegoods or other fabrics—						......	*N.B.*—Protective duties on a number of items of cotton piecegoods and yarn were removed, with effect from 1st April, 1947 (on the recommendations of the Tariff Board Cotton Textile Enquiry, of February, 1947), by the Government of India, and revenue duties were substituted on several items. These revenue duties are liable to removal *at any time.*
	(a) of materials liable to duty under item 48(3), not exceeding 4 yards in length.	Preferential revenue.	42 per cent ad valorem.	30 per cent ad valorem.	......	24 per cent ad valorem.		
	(b) of materials liable to duty under item 48, 48(1), 48(4) or 48(5), not exceeding 2½ yards in length.	Preferential revenue.	42 per cent ad valorem.	30 per cent ad valorem.	......	24 per cent ad valorem.	......	
	(c) of other materials not exceeding 4 yards in length.	Preferential revenue.	42 per cent ad valorem.	30 per cent ad valorem.	......	24 per cent ad valorem.	......	
49(5)	Cotton braids or cords, the following, namely— Ghoonsis & Muktakesis,	Revenue.	7 4/5 annas per lb.	......	......	Free.	......	
53.	Textile manufactures, not otherwise specified.	Revenue.	30 per cent ad valorem.	......	......	12 per cent ad valorem.	......	

TABLE No. 15

Net Imports, Available Mill Production, and Estimated Handloom Production of Cotton Piecegoods in India, along with 'per capita' Consumption from 1919-20 to 1947-48

Year (April-March)	Net Imports	Net available Mill Production (after deducting exports)	Estimated Handloom Production	Net available for Consumption	*Per Capita* available for consumption in yards
	(Quantity in crores of yards, crore = 10 million)				
1919-20	90	144	56	299	9.34
1920-21	145	143	115	403	12.59
1921-22	102	157	119	378	11.81
1922-23	152	156	134	452	13.40
1923-24	142	154	101	397	12.03
1924-25	177	179	126	482	14.61
1925-26	153	179	118	450	13.18
1926-27	176	206	136	518	15.15
1927-28	194	219	130	543	16.60
1928-29	191	174	108	473	13 52
1929-30	190	229	138	557	15.97
1930-31	87	246	136	469	13.49
1931-32	76	288	139	503	14.28
1932-33	120	311	142	573	16.70
1933-34	77	289	124	490	14.17
1934-35	94	334	124	552	15.60
1935-36	94	350	137	581	16.57
1936-37	75	347	128	550	15.50
1937-38	58	384	149	591	16.42
1938-39	63	409	192	664	17.94
1939-40	56	379	182	617	16.67
1940-41	44	388	165	597	16.03
1941-42	18	372	160	550	14.20
1942-43	1	329	150	480	12.0
1943-44*	.3	441	160	601	15.0
1944-45	.5	430	150	580	15.4
1945-46	.3	423	137	560	14.0
1946-47	1.6	354	135	490	12.2
1947-48	2.6	357	131	490	12.2

* *Note.*—The broad purpose of the above figures is to enable the reader to view India in the world perspective of consumption of cotton textiles. The *per capita* figure of 15 yards for 1943-44 indicates not so much the actual consumption of cloth per head as the quantity that would have been available but for the terrible maldistribution resulting from rampant black marketing. This figure is reduced to 12.7 yards if the quantity of cloth (viz. 900 million yards) purchased for the Defence Services is deducted, and would be reduced further still if we take into account the quantity of cloth smuggled into Tibet, China and other areas adjacent to Bengal and other illicit exports from small ports. The 1943-44 average has therefore less relation to the actual quantity of cloth available than in any of the previous years. Notwithstanding this, the above figures, we trust, have a significance that cannot be missed.

The consumption in 1946-47 and 1947-48 works out to 12.2 yards *per capita*.

TABLE No. 16

Statistics of World Cotton Spindleage in Principal Countries are shown below according to information available in August 1949

Country	*No. of Spindles*
Britain	31,300,000
U.S.A.	23,742,000
India (Union)	92,660,000
U.S.S.R.	10,040,000
France	8,170,000
Germany	6,532,000
Italy	57,000,000
China	4,582,000
Japan	3,319,000
Pakistan	167,000

TABLE No. 17

Production of Yarn and Cloth in the Union of India in each Zone during 1948

(Figures in thousands)

ZONES	1948		
	Yarn lbs.	Cloth lbs.	Cloth yds.
Bombay	734,383	625,949	2,767,125
Kolhapur	2,670	1,317	5,737
Baroda	39,289	29,945	168,350
Saurashtra	20,825	14,961	70,542
Madhya Bharat	80,360	71,200	248,730
Bhopal	3,962	3,899	15,424
Ajmer-Merwara	13,636	8,813	29,184
Rajasthan	7,433	4,856	15,840
Jodhpur	7,017	5,878	16,200
Jaipur	688	......	......
Delhi	33,836	24,932	88,189
East Punjab	4,248	3,833	16,740
U.P.	123,267	79,822	312,013
Bihar	1,413	1,163	5,416
West Bengal	42,798	36,225	163,996
C.P.	59,856	32,903	115,349
Hyderabad	23,091	19,676	67,547
Cochin	4,792	2,029	8,391
Madras	202,276	36,577	113,981
Pondicherry	12,876	9,853	35,886
Mysore	26,547	14,380	49,356
Travancore	1,448	1,379	5,307
Cutch	905	......	......
Total	1,447,616	1,029,590	4,319,303

TABLE No. 18

Number of Mills and Looms and Spindles installed as on 1-1-1949 in each Zone in the Union of India

ZONE	Composite Mills	Spinning Mills	SPINDLES Rings	Mule	LOOMS
1. Bombay :—					
(a) Ahmedabad	61	7	1,838,946	......	41,999
(b) Bombay City	58	4	2,727,282	117,042	66,027
(c) Sholapur	5	...	273,468	1,584	6,603
(d) Baroda	14	5	339,502	......	6,991
(e) Rest of Bombay	18	6	523,356	508	9,406
2. Kutch	...	1	5,312	......	......
3. Saurashtra	8	2	151,180	......	2,930
4. Madhya Bharat :—					
(a) Gwalior	5	2	160,428	......	4,035
(b) Indore	7	1	218,368	508	6,318
(c) Ratlam	1	...	15,824	......	440
5. Bhopal	1	...	15,004	......	400
6. Ajmer-Merwara	4	...	61,416	2,628	1,733
7. Rajasthan (Greater) :—					
(a) Rajasthan	3	1	41,960	11,360	849
(b) Jodhpur	1	...	17,136	......	428
(c) Jaipur	...	1	5,096	......	......
8. Delhi	3	...	132,892	......	3,131
9. East Punjab	3	1	30,064	8,200	748
10. United Provinces	17	5	614,903	162,992	12,516
11. Bihar	2	...	26,604	1,188	745
12. West Bengal	13	3	375,318	14,774	7,700
13. Central Provinces	11	...	364,330	416	6,876
14. Hyderabad	6	...	115,780	2,640	2,464
15. Cochin	1	2	62,310	......	416
16. Madras	16	49	1,652,152	7,440	6,934
17. Orissa	1	...	34,404	......	432
18. Mysore	4	2	181,552	......	2,377
19. Travancore	2	...	12,988	......	310
Grand Total	265	92	9,997,575	331,352	192,808

AN UP-TO-DATE NOTE ON NEW INDUSTRIES AUXILIARY TO THE TEXTILE INDUSTRY

Bobbins:

The total number of bobbin factories is 67. These factories submit their production particulars regularly.

2. The Textile Industry's total requirement of bobbins is estimated at Gross 4,25,000 per annum. The production during 1948 by the Indian Factories was estimated at Gross 3,00,000. The imports of bobbins during 1948 were Gross 1,00,000.

3. Amongst these 67 factories there are only 10 factories which produce on an average 1,000 gross of bobbins per month. These factories are stated to have up-to-date machineries, and some of them have plans for further expansion of their factories.

4. The main handicap of indigenous bobbin industry is stated to be that of finding suitable and seasoned timber. Bobbin being an item requiring precision and quality these are not achieved to the desired extent by use of the available Indian timber such as Haldu and Kalam. In order, therefore, that the Indian manufactured bobbins can compete favourably with imported bobbins, their factories are using large quantities of imported Birch wood which is the type of wood ideally suitable for bobbins.

5. The Textile Commissioner's office assists the factories not only in procuring raw materials like imports of timber, terne plates, mineral turpentine, etc. but also for transport of the raw materials and finished products.

Shuttles :

The figures of total requirements of the indigenous production available and the imports are given below :—

1.	Total Annual Requirements	8,300 Gross
2.	Total Annual Indigenous Production	650 „
3.	Annual Imports based on 1948 figures	7,000 „

It will be seen from the above figures that there is a wide gap between India's total requirements and the indigenous production. Efforts were being made even during war years to develop this industry but it has not met with any success so far owing to the fact that we were to depend solely upon imported Raw Materials such as Cornelwood, shuttles tongues, clips and porcelain pot eyes.

There are at present 13 factories in India but among these only a few factories possess up-to-date machinery for manufacture of shuttles of standard quality.

The difficulty faced in the development of this industry would appear to be more due to dependence at present on imports of most of the raw materials needed. While it may be possible to find the required steel for tongues, clips and tops, at present there seems to be no possibility of getting the type of special wood locally. The value of our requirements is in the neighbourhood of Rs. 60 lakhs for this item alone which is mostly spent in foreign currency. Therefore it is apparent that in order to stop, at least partially, expenditure of foreign currency, we must make immediate effects to develop this shuttle manufacturing industry in India even though we may have to depend upon imports of the special types of cornel and persiman wood at present.

Healds, Reeds & Wire Healds :

Details about our annual requirements, indigenous production and imports are given below :—

	Total Requirements	Ind. Production	Imports
Healds Sets	8,00,000	4,00,000	4,00,000
Reeds Packets	4,00,000	1,00,000	3,00,000
Wire Healds Bundles	55,000	5,000	50,000

The total estimated value of the first two items above is about Rs. 68 lakhs ; out of which the indigenous industry is able to meet at present about 50% of the requirements. There is scope for further development provided adequate supplies of fine count yarn of requisite strength and special types of steel wires are made available to the existing factories.

It will be seen from the figures above that whereas the progress made by the cotton healds and reeds industry is fairly good, the same cannot be said about wire healds which could manage to meet only 1/11 of our total requirements, owing mainly due to non-availability of suitable steel wire.

Pickers :

Details about our requirements and indigenous production are given below :—

Total annual requirements	37,500 Gross valued at Rs. 12 lakhs
Indigenous production	30,000 Gross
Annual imports based on 1948 figures	7,500 Gross

The indigenous industry came into being during war years and, from the figures of production given above, can be considered to have established itself firmly. The quality of Pickers manufactured in India is also reported to compare favourably with imported ones.

There are at present about 55 factories in India manufacturing about 500 tons of Pickers per annum. The main difficulty now faced by these factories is the stoppage of import of Sperm oil from South Africa which was the principal source of supply so far. If the quality of Pickers is not to suffer on this account it is of utmost importance that efforts should be made to find suitable substitute oil in India itself. But for this handicap experienced at present by Pickers industry, it can be considered to be self-sufficient to meet our entire requirements.

Starch :

The annual requirements of the country are 45,000 tons of starch. There are 24 indigenous starch factories equipped to produce about 55,000 tons of starch annually.

But since 1946 only 9 factories have been working partially for want of raw material in view of the food situation. In 1948 they produced only 3,598 tons of maize starch. (*Vide* Assembly Debates, 25th March 1949.)

If the existing factories are supplied with adequate maize, they can meet not only our internal requirements, but will have also some surplus for export.

Customs Duty on Import of RAW COTTON

Duty imposed on 31st March 1931, @ 0-0-6 per lb.
Increased Duty from 31st March 1939, @ 0-1-0 per lb.
Increased Duty from 29th January 1942, @ 0-2-0 per lb.

The Cotton Fund Ordinance under which the duty was levied was repealed by Clause 8 of the Indian Finance Act, 1946, but the duty was amalgamated into a consolidated duty of two annas a pound without any surcharge, which will be leviable only under the Indian Tariff Act.

Thus, present duty is @ 0-2-0 per lb. (1949)

Customs Duty on Export of COTTON CLOTH and YARN (Abolished from 1st June 1949)

A Customs Duty at 3 per cent was imposed on all cloth and yarn manufactured in India and exported from British India at the rate of 3 per cent of the maximum ex-factory price, with effect from 1st February 1945. It also applied to handloom

cloth. This duty which was levied under Cotton Textiles Fund Ordinance till 1947, was superseded by a revenue duty of 4 as. per sq. yd. on cloth and 6 as. per lb. on cotton yarn exported from India as provided in the supplementary budget introduced by the Finance Minister in the Constituent Assembly (Legislative), India, on 26th November 1947. The duty was subsequently converted into an *ad valorem* duty of 25% on cloth. Handloom cloth, and cotton yarn was exempted from payment of duty from 1st March 1948 under the Indian Finance Act, 1948.

Early in November 1948, the export duty on cloth was reduced to 10% *ad valorem*, and from 1st June 1949, the duty was abolished altogether, in order to stimulate exports.

Export Duty on RAW COTTON

On 26th October 1946, the Government of India issued an Ordinance amending the Indian Tariff Act, by which Government were empowered to impose an export duty on raw cotton at such rate, not exceeding seventy-five rupees per bale of 400 lbs., as they may, by notification, in the official *Gazette*, from time to time, determine. By a notification, dated the 26th October 1946, Government fixed the rate of duty at Rs. 20 per bale of 400 lbs. which came into force from the date of notification, i.e. 26th October 1946. This duty was increased by Government to Rs. 40 per bale of 400 lbs. by a notification issued towards the latter part of January 1948.

Cess on RAW COTTON

A cess at the rate of as. 4 per bale was imposed, with effect from September 1949, on cotton produced in India, and either exported from any customs port to any port outside India or consumed in any mill in India. The yield of the cess is expected to be about Rs. 9 lakhs per year. These funds are for the Indian Central Cotton Committee.

Excise Duty on CLOTH in India from 1st March 1949

By an Ordinance promulgated by the Government of India, on **1st January 1949**, amending the Central Excises and Salt Act, 1944, an excise duty of 25 per cent *ad valorem* of ex-mill price was levied with effect from the date of the Ordinance, on superfine cloth, i.e. cloth in which the count of warp yarn (whether single or folded) is 48s or finer. The Indian Finance Act, 1949, extended the duty with effect from **1st March 1949**, to the fine, medium and coarse varieties of cloth—the rate of duty being 6¼ per cent *ad valorem* in respect of fine cloth, and at Re. 0-0-3 per yard in case of coarse and medium cloths.

Present position of Excise duties is as under (September 1949):

Superfine cloth—25% of ex-mill price.

Fine cloth—6¼% of ex-mill price.

Medium and Coarse cloth—Re. 0-0-3 per yard.

Explanation : Consumers will get the cloth on which Excise duty has been charged at ex-mill price + 20% + Excise duty (plus local octroi charges or terminal taxes where in force, plus sales tax of other Provinces or States).

The revenue estimated is Rs. 9 crores. Powerloom and Handloom cloth is exempt from this duty.

N.B.—This duty will not be revised in the current financial year. (Statement of the Hon'ble Minister for Industry & Supply, on 10-9-1949.)

COTTON TEXTILE FUND COMMITTEE

In August 1949, the Government of India constituted a Cotton Textile Fund Committee to give expert advice on the stimulation of exports and for promotion of research in the industry.

Personnel of the Committee (1949)

Chairman : Shri R. K. Shanmukham Chetty ; *Members* : Shri V. N. Chandavarkar ; Mr. T. V. Baddeley ; Mr. A. D. Gorwala ; Chairman of the Exports Promotion Committee ; Mr. A. K. Kanji ; Mr. Kasturbhai Lalbhai ; Mr. C. S. Ratnasabhapathi Mudaliar ; Mr. S. C. Roy ; Mr. R. G. Saraiya ; Sir Sri Ram ; Mr. Hariharnath Sastri ; Mr. N. G. Ranga ; Mr. J. C. Morton ; Mr. P. B. Sarkar and Mr. K. Venkatraman ; and Joint Secretaries of the Ministry of Industry and Supply in charge of textiles and finance respectively, and the Textile Commissioner, who will also act as the Secretary.

It may be explained that the fund of about Rs. 2.29 crores was collected out of the levy of a 3% duty on ex-factory prices of yarn and cloth exported from India. This duty was discontinued by an Ordinance on November 27, 1947.

TABLE No. 19

PAKISTAN (1949)

Import Duty on Cloth, Yarn, etc. (August 1949)

Commodity	*Rate of Duty on Imports from India*	*Rate of Duty on Imports from other Countries*
Cotton piecegoods	Upto Re. 1-8 per yard: 15 per cent on plain cloth and 18 per cent on printed. Above Re. 1-8 per yard: 30 and 36 per cent respectively.	The U.K. has to pay only 15 per cent and 18 per cent even if the price exceeds Re. 1-8 per yard. Other countries have to pay 30 and 36 per cent irrespective of the price—whether it is above or below Re. 1-8.
Rayon piecegoods	45 per cent *ad valorem.*	U.K. 45 per cent *ad valorem.* Other countries 75 per cent *ad valorem.*
Silk piecegoods	50 per cent plus Rs. 2 per lb. plus ½ of total duty.	Same as India.
Woollen piecegoods	30 per cent *ad valorem.*	Same as India.
Cotton yarn	Free.	Free.
Rayon yarn	30 per cent *ad valorem.*	Same as India.
Sugar	Free.	Rs. 20 per cwt.
Tea	6 annas per lb.	If from a British colony 3-3/5 annas per lb.
Spices	54 per cent *ad valorem.*	If from a British colony 45 per cent *ad valorem.* Burma: 10 per cent *ad valorem.*

TABLE No. 20

Estimated *per capita* Consumption of Cotton Piecegoods in India in 1944-45, 1945-46, 1946-47 and 1947-48

(In million yds.)

—	1944–45	1945–46	1946–47	1947–48
Net available Mill Production (after deducting exports) ...	4,300	4,230	3,545	3,578
Estimated Handloom Production	1,500	1,360	1,350	1,316
Estimated Hand Woven Cloth from Hand-spun Yarn ...	140	140	100	100
Net Import of Cotton Piecegoods	5	3	16	26
Net quantity of Cotton Piecegoods available for consumption	5,945	5,733	5,011	5,020
Estimated *per capita* consumption of Cotton Piecegoods ...	yds. 15	14	12.2	12.2

World's Average *per capita* consumption 42 yards in 1928-29.

TEXTS OF IMPORTANT CONTROL ORDERS CONCERNING THE INDIAN COTTON TEXTILE INDUSTRY

In addition to the Cotton Textile (Control) Order of August 1948, the Government of India have issued several other Orders under the Defence of India Rules and Essential Supplies (Temporary Powers) Act, 1946, to regulate the supply of various articles required for the Cotton Textile Industry.

The texts of important Orders which are operative at present are given in the following pages with the *latest amendments* for easy reference :—(upto September 1949).

1. The Cotton Textiles (Control) Order, 1948.
2. The Cotton Textiles (Control of Movement) Order, 1948.
3. Directions for Production (withdrawn from September 1949) Control issued on 30th November 1948 (pp. xl).

We do suggest that you see Appendices A, B, and C

GANDHI & Co. (*Publishers*).

(For texts of other Press Notes re : Cotton Cloth Control Orders, etc. please see following pages.)

c/o Gandhi & Co.,
Jan Mansion,
Sir Pherozshah Mehta Road,
Bombay.

30th September 1949.

M. P. GANDHI,
Editor, Indian Cotton Textile Industry *Annual*.

TEXTILE CONTROL TO CONTINUE

GOVERNMENT POLICY EXPLAINED

SPECIAL MEASURES FOR CLEARING STOCKS

(30th July 1949)

The following Press Note was issued by the Ministry of Industry and Supply, Government of India, on 30th July 1949, exactly one year after the re-imposition of control on cotton textiles, made effective from the 2nd August 1948 :—

There have been numerous reports in the Press recently regarding the accumulation of stocks in Cotton Textile Mills, the closure of certain Mills and the imminent closure of others. The Government of India have carefully considered the position in consultation with the Provincial Premiers. The situation has also been discussed in the recent meeting of the Central Advisory Council on Industries. The reports which have appeared in the Press do not put the situation in the correct perspective. The Government of India, therefore, desire to give a correct picture of the situation and to announce the policy they propose to follow in regard to Textile Control.

The Government of India are satisfied that the present situation does not call for any fundamental revision of the policy of Textile Control, and they have no intention of withdrawing control. Adjustments of the machinery of control and distribution have, however, been necessary in the past, and further adjustments will be made, if necessary.

The overall stocks of cloth and yarn held by the mills are not unduly large. It is recognised, however, that there are certain Mills which hold large stocks and are, therefore, in difficulties. The present position is that out of the 361 composite and spinning mills, there are 52 mills which hold stocks of cloth and 46 mills which hold stocks of yarn larger than two months' production. But the position has already improved with the special facilities which have been given to these mills for the disposal of their stocks ; and out of the fourteen mills which recently issued notices of closure to their employees, five have already withdrawn the notice.

Under the present machinery of control, cloth produced for internal consumption is normally allotted to the nominees of the Provincial and the State Governments. While these nominees have in most cases made purchases in accordance with allotments, the Government of India recognise that the machinery of control should be so adjusted as to allow an alternative outlet for such stocks as are not purchased by the Provincial and State nominees within a specific period of time. In consultation with the Provincial Premiers, therefore, the Government of India have decided that in the event of any stocks of cloth and yarn remaining unpurchased at the end of a month from the issue of purchase authorities in the surplus zones, or after a month from the end of the month of production in deficit zones, the mills may sell stocks to buyers of their own choice, provided that such buyers are licensed as dealers by the Provincial or the State Government. Such buyers may either be licensed wholesalers in other consuming areas or licensed wholesalers in the same area, and they in their turn may sell the stocks to licensed traders in other consuming areas or to licensed retailers in the same area. The

Provincial Premiers have agreed that no impediment should be placed in the way of normal trade channels functioning in this respect. In all cases, however, the sales must be reported to the Provincial or State Government concerned, and the price at which the cloth or the yarn is sold to the consumer must not exceed the controlled retail price. The Bombay Government have agreed to allow the established wholesalers of Bombay and Ahmedabad to resume trading in the above manner.

The Provincial and State Governments have been asked to re-examine their distribution machinery with a view to ensure that a sufficient number of retailers function in each area. They have also been advised to make increasingly larger use of normal trade channels for the purpose of their quotas and for internal distribution.

In order to conserve exchange resources for more essential commodities, the Government of India have decided to restrict the imports of cloth and yarn. Facilities have also been extended for the development of the export trade. The export duty on cloth has been abolished and maximum prices have been fixed for exports to all destinations. For some time now, there has been practically free licensing of cloth and yarn upto the 20s count for the purpose of exports. Under the recent Trade Agreement with Pakistan, imports of Indian cloth into that country have been placed on the Open General Licence. The Government of India expect, therefore, that the demand for cloth and yarn will soon increase both for internal consumption and for exports.

The Government of India trust that these measures will soon relieve the present congestion of stocks. The cases of individual mills which carry large stocks will be kept under constant examination and such other measures will be taken as are found necessary.

GREAT CHANGE IN GOVERNMENT POLICY ON TEXTILE CONTROLS

Dr. SYAMA PRASAD MOOKERJEE'S ANNOUNCEMENT IN BOMBAY

Bombay, September 10, 1949.

Addressing a Press Conference in Bombay today, the Hon'ble Dr. Syama Prasad Mookerjee, Minister for Industry and Supply, Government of India, enunciated the Government of India's policy in regard to the textile controls and made out the following points:—

1. Price control will continue. Present prices will not be reviewed before the 1st November.

2. Excise duty will not be revised during the current financial year.

3. Provinces will not charge any levy out of the margin over ex-mill price except on any stocks which may be purchased on purely Government account and not purchased by traders.

4. Mills which have closed down will be allowed to sell their entire existing stocks through licensed trade channels. If they reopen within a month, they will be allowed to sell their entire new production through licensed trade channels also for a period of three months for the present.

5. All mills will be allowed to sell their accumulated stocks upto end of July through licensed trade channels. Similarly, they can sell their stocks upto the end of August after 21st September.

6. Wholesalers and retailers belonging to trade will be freely licensed and licences can only be refused on specific charges of undesirable conduct.

7. Mills can open their own shops on such conditions as may be approved by the Textile Commissioner in consultation with the local Governments.

8. In order to enable mills to produce varieties of cloth which they consider saleable and in demand by consumers, the Production Control Order should be withdrawn except in such respects as are essential for the fixation of prices and except as regards other details as may be agreed on between the Textile Commissioner and representatives of the mills.

9. Mills should be free to sell one-third of their production in each variety other than production for export or production against Government of India orders through licensed trade channels without prior reference to the Textile Commissioner. Provincial and State Governments should not place any restriction on the marketing of this cloth and yarn except that the same must not be sold at a price exceeding the controlled maximum retail price.

10. The balance of the production will be available for Provincial and State Governments for purchase and distribution through agencies controlled or nominated by them till the 15th of the month following that in which the cloth or yarn is produced.

    Within the limits of this availability, a Provincial or State Government may order its requirements through the Textile Commissioner at least one month in advance of the month in which the cloth or yarn is to be produced. The manner and details of placing these orders and payment therefor will be settled later.

11. In the event of the total requirements of the Provincial and State Governments falling short of the quantity available for them or in the event of the agents of the Provincial and State Governments failing to purchase any of the cloth or yarn available for them within the stipulated time, the mills will be free to sell or dispose of such surplus or unpurchased stocks through licensed trade channels.

12. A Central Advisory Committee and Regional Advisory Committees may be appointed to watch the working of the above scheme and to suggest such remedial action as may be neces-

sary from time to time. These Committees will represent industry, trade, labour, the Textile Commissioner to the Government of India and the Provincial Textile Controllers.

The Central Committee will be a co-ordinating Committee and will consist of representatives of the Regional Committees. These Committees will advise the Textile Commissioner and function as Sub-Committees of the Textile Advisory Committee, but will act on their own initiative whenever necessary.

It was agreed that the Bombay Regional Advisory Committee would consist of the following members :—

One representative of the Bombay Millowners' Association.

One representative of the Ahmedabad Millowners' Association.

One representative of the Bombay Wholesale trade.

One representative of the Ahmedabad wholesale trade.

One representative of the I.N.T.U.C.

One representative of Hind Mazdoor Sabha.

One representative of the Textile Commissioner.

The Pronvincial Textile Controller.

This Committee may have Sub-Committees for Ahmedabad and other areas if necessary.

COTTON PRICES FOR 1949-50

The following Press Note was issued by the Ministry of Industry and Supply, Government of India, on 18th May 1949, in announcing cotton prices for 1949-50 :—

New Delhi, 18th May 1949.

When cotton prices were fixed for the current cotton year (1948-49), the Government of India intended that prices for the next cotton year would be re-considered and fixed in the light of experience well in advance of the sowing season. They have accordingly reviewed the matter in detail in close consultation with the Provincial and State Governments concerned, and the representatives of the Indian Central Cotton Committee and of the trade.

After a full consideration of all aspects of the matter, the Government of India have decided not to allow any increase in the basic price of cotton, viz. Jarilla 25/32″ and equivalent varieties. These prices will, therefore, remain the same for the cotton season 1949-50. In order, however, to encourage increase in the production of superior varieties of cotton, certain changes have been made in the differentials now allowed for these varieties. The floor and the ceiling prices of the different varieties of cotton for the next crop year, will be as follows :—

Variety of Cotton	*Floor Price* (per candy)	*Ceiling Price*
1. Jarilla 25/32″	Rs. 495	Rs. 620
2. Broach 3/4″	Rs. 475	Rs. 600
3. Vijaya 25/32″	Rs. 565	Rs. 690
4. Surat 7/8″	Rs. 655	Rs. 780
5. 4F Punjab American 3/4″ Roller-ginned	Rs. 525	Rs. 650
6. 4F Punjab American 3/4″ Saw-ginned	Rs. 545	Rs. 670
7. LSS Punjab American 13/16″ Roller-ginned	Rs. 585	Rs. 710
8. LSS Punjab American 13/16″ Saw-ginned	Rs. 605	Rs. 730
9. 289F Punjab American 7/8″ Roller-ginned ..	Rs. 675	Rs. 800
10. 289F Punjab American 7/8″ Saw-ginned	Rs. 705	Rs. 830
11. Coompta 7/8″	Rs. 645	Rs. 770
12. Upland 13/16″	Rs. 575	Rs. 700
13. Western 13/16″	Rs. 555	Rs. 680
14. Cambodia 7/8″	Rs. 675	Rs. 800
15. Karunganni 13/16″	Rs. 575	Rs. 700
16. Buri American 7/8″ (including C.P. Cambodia)	Rs. 625	Rs. 750
17. Parbhani American 7/8″	Rs. 625	Rs. 750
18. Gaorani 6 and 12 7/8″	Rs. 625	Rs. 750
19. Dhollera 3/4″	——	Rs. 570
20. Kalagin 3/4″	——	Rs. 570
21. Bengal Deshi	——	Rs. 445
22. Mathia	——	Rs. 495
23. Oomra Deshi	——	Rs. 495
24. CP I and CP II 5/8″	——	Rs. 520
25. Central India	——	Rs. 495

The Government of India desire to make it clear that the above prices will apply only to the cotton grown in the next crop year and not the current cotton crop. They have every intention of enforcing these prices by resorting to requisitioning of cotton whenever necessary.

N.B.—On 14th September 1949, the Textile Commissioner issued a press note permitting trading in certain contracts under the Cotton Control Order. He also added that Government intend to support the floor price of cotton, in the growers' interest.

COTTON TEXTILE (CONTROL) ORDER, 1948

New Delhi, 2nd August 1948 (As amended upto September 1949).

No. 80-Tex. I/48.—In exercise of the powers conferred by section 3 of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), the Central Government is pleased to make the following Order, namely :

1. (i) This Order may be called the Cotton Textiles (Control) Order, 1948.

   (ii) It extends to all the Provinces of India.

   (iii) It shall come into force at once.

2. The Cotton Textiles (Control) Order, 1948 (Notification No. 80-Tex.-I/48 dated the 19th February 1948) is hereby repealed: provided that any order made, notification issued, right accrued, penalty incurred, or anything done or deemed to have been done under the said Order shall be deemed to have been made, issued, accrued, incurred or done under the corresponding provisions of this Order.

3. In this Order, unless there is anything repugnant in the subject or context—

(a) "Cloth" and "Yarn" mean respectively any type of cloth or yarn manufactured either wholly from cotton or partly from cotton and partly from any other material, but "cloth" does not include—

(i) ready-made clothing other than dhoties and sarees;
(ii) hosiery;
(iii) leather cloth and inferior or imitation leather cloth ordinarily used in book-binding;
(iv) tracing paper;
(v) cloth manufactured partly from cotton and partly from wool and containing 40 per cent or more of wool by weight;
(vi) rubberised or synthetic waste-proof fabrics whether single-textured or double-textured.

(b) "Controller" means the principal officer appointed by a Provincial Government for the administration of the Textile Control and includes any other officer appointed by such Government to perform the functions of the Controller under this order or under the rules and notifications issued thereunder;

(c) "dealer" means a person carrying on the business of selling cloth or yarn or both, whether wholesale or retail, and whether or not in conjunction with any other business and shall include master weavers of handloom cloth;

(d) "manufacturer" includes a producer or processor, and the expression 'manufacture' and its grammatical variants shall be construed accordingly;

(e) the expression 'offer to sell' shall be deemed to include a reference to an intimation by a person of the price proposed by him for the sale of an article, made by the publication of a price list by exposing the article for sale in association with or bearing a mark indicating price, by the furnishing of a quotation or otherwise howsoever;

(f) an article shall be deemed to be in the possession of a person when it is held on behalf of that person by another person or when held by that person on behalf of another person;

(g) "processor" means a person engaged exclusively in any process ancillary to the production of cloth or yarn such as dyeing, bleaching, embroidering, printing and finishing; and the expression 'process' and its grammatical variants shall be construed accordingly;

(h) "producer" means a person engaged in the production of cloth or yarn or both by power as defined in section 2 (f) of the Factories Act,

1934, and the expression 'produce' and its grammatical variants shall be construed accordingly;

(i) 'scheduled article' means an article specified in schedule A, and includes any other article declared by the Central Government to be scheduled article for the purposes of this order;

(j) "starch" means starch made from wheat, rice, maize, jowar or any other foodgrain or from tapioca or potatoes and includes derivatives of starch and any modified form of starch so made:

(k) "Textile Commissioner" means the Textile Commissioner appointed by the Central Government and includes such Additional or Joint Textile Commissioners as may be appointed by the Central Government.

Raw Materials and Stores

4. No person shall manufacture starch other than starch made from tapioca except under and in accordance with the terms of a licence granted by the Textile Commissioner.

5. (1) Every importer of a scheduled article shall within 15 days of the date of the arrival of the consignment containing such article furnish to the Textile Commissioner the following information in respect of the consignment—

(a) description and quantity of each of the articles included in the consignment;

(b) the landed cost of each item together with invoices and all other documents evidencing the price, buying commission, insurance premium, freight, customs duty, landing and clearing charges paid up to the deposit of the consignment in the consignee's warehouse or other place of storage.

(2) No importer shall sell or otherwise dispose of any such scheduled article imported by him except in accordance with the instructions given to him by the Textile Commissioner: provided that if the importer does not receive any such instructions from the Textile Commissioner within 30 days of the receipt by the Textile Commissioner of the information submitted under sub-clause (1), the importer may subject to the provisions of clauses 6, 8 and 30, dispose of the consignment.

6. No person shall sell or dispose of any scheduled article except under and in accordance with—

(a) a seller's licence granted to him by the Textile Commissioner;

(b) a direction given to him by the Textile Commissioner under clause 8.

7. No person shall purchase or otherwise acquire any scheduled article except under and in accordance with a buyer's licence granted by the Textile Commissioner.

8. The Textile Commissioner may by order in writing require any importer of or dealer in any scheduled article to sell to such person as may be specified in the Order such quantities of the scheduled article and in the case of a scheduled article of which the maximum prices

have not been fixed under clause 9 at such price, as may be specified in the Order.

9. (1) The Textile Commissioner may by notification in the *Gazette of India* fix the minimum prices or rate at which any scheduled article may be sold;

(2) No person shall sell or offer to sell a scheduled article at a price exceeding maximum price specified under sub-clause (1).

10. (1) The Textile Commissioner may direct any person carrying on the business of producing or selling any scheduled article to mark such articles exposed or intended for sale with the sale price thereof, or to exhibit in his premises a price list of articles held by him for sale; and may further give directions as to the manner in which such directions shall be carried out.

(2) The Textile Commissioner may by order published in the *Gazette of India* issue a direction of the nature specified in sub-clause (1) generally to all persons carrying on the business of producing or selling any scheduled article or to any person or any class of such persons.

11. (1) Applications for licences under this Order shall be made in such form as the Textile Commissioner may prescribe;

(2) The Textile Commissioner may, without assigning any reason, refuse to grant a licence to any person and his decision shall be final;

(3) The Textile Commissioner may specify in the licence the conditions, if any, under which it is issued and the licensee shall comply with such conditions;

(4) The fees for the grant of a licence shall be such as the Textile Commissioner may, by notification in the official *Gazette* prescribe;

(5) Subject to the provisions of sub-clause (6) the licence shall be valid for the period specified therein and may be renewed;

(6) If the holder of a licence has supplied incorrect information in his application or in any return submitted by him or if he contravenes any condition of the licence, or if at any time the Textile Commissioner is satisfied that for any other reason the licensee is not a fit person to hold the licence, the Textile Commissioner may in his discretion and without prejudice to any other action which may be taken against the licensee, cancel or suspend his licence, and the order of the Textile Commissioner shall be final.

Cloth and Yarn

12. (1) No producer who has no spinning plant shall work or cause or permit to be worked—

(a) looms in excess of the number of looms working in the undertaking on the 30th September 1944;

(b) any loom for a period which in any one month exceeds the average number of hours of work per loom per month in the undertaking during the year ending 30th September 1944.

(2) No producer who has a spinning plant shall in any quarter—

(a) purchase a quantity of yarn exceeding ¼th of the quantity of yarn purchased by him in the year 1944;

(b) sell a quantity of yarn less than ¼th of the quantity of yarn sold by him in the year 1944;

(3) No producer who has no weaving plant shall install or cause or permit to be installed any loom in his undertaking.

(4) No person shall acquire or install any loom to be worked by power as defined in section 2(f) of the Factories Act, 1934.

(5) Any person having in his possession any loom which he is not entitled to work or cause or permit to be worked in accordance with this clause shall forthwith report the fact to the Controller and shall take such action as to its sealing or storage as the Controller may direct.

13. No person shall manufacture or cause to be manufactured any cloth containing any sizing or filling material or both of any descriptions exceeding in the aggregate—

(i) in the case of cloth wherein the count of warp yarn employed is 14s or coarser, 15 per cent of the weight of the cotton in the cloth;

(ii) in other cases, 10 per cent of the weight of the cotton in the cloth.

14. No person shall use wheat flour or glucose for the purpose of sizing or filling cloth.

15. No person shall sell or otherwise dispose of or purchase or otherwise acquire for the purpose of sale any cloth which has been manufactured in contravention of clause 13 or clause 14.

16. (1) For the purpose of Clauses 13 to 15 the proportion of sizing or filling material or both relative to the weight of the cotton in any finished cloth shall be determined by such test carried out by such person and in such manner as the Textile Commissioner may, by notification prescribe.

(2) A certificate signed by an officer authorised to carry out tests in pursuance of sub-clause (1) stating the result of the test shall be conclusive proof that the test has been duly carried out in the manner prescribed and that the result thereof is as is stated in the certificate.

17. (1) No producer shall produce yarn of counts more than 10 in number or more than the number specified in column (3) of Schedule B for a plant of the size of his spinning plant, whichever is less.

Provided that—

(a) the same count of warp and weft yarn produced from the same mixing shall be deemed to be one count;

(b) where any part of the spinning plant is employed exclusively for the performance of any contract with the Government such part shall, if the producer so elects, be deemed not to form a part of the plant and nothing in this clause shall apply in relation to the production of any yarn in pursuance of such contract, and the producer shall be

deemed to have employed a part of the plant exclusively for the performance of any such contract where it is employed for the production of yarn for being supplied to any person under contract with the Government to utilise such yarn for the production of any article for sale to the Government and the producer has submitted to the Textile Commissioner a report in writing stating the quantity, counts, period of delivery and the consignee of such yarn and the number of spindles employed and the period requisite for the production of such yarn.

(2) No producer shall produce yarn finer than yarn of single 80's counts.

(3) Nothing in this clause shall apply to the production by a producer on a waste spinning plant of waste yarn of 6s or coarser.

18. (1) No producer shall produce cloth of more than two varieties for every 50 looms or part thereof in his possession or more than 20 varieties in all, whichever is less in number.

Explanation.—For the purposes of this sub-clause, cloth shall be deemed to be of the same variety if it is woven in the same counts of yarn in warp and weft and in the same reed and pick notwithstanding that it is woven in different widths, lengths, patterns or colours.

(2) Nothing in this clause shall apply—

(i) to cloth produced in pursuance of a contract with the Government; and the looms employed in the production of such cloth shall be excluded in determining the number of varieties which may be produced under sub-clause (1) ;

(ii) to cloth produced for experimental purposes provided the looms employed for such production shall not exceed one per cent of the total number of looms in the producer's possession.

19. No producer shall produce any cloth with a border whether plain, dobby or jacquard containing folded yarn in excess of what is required for a 2-inch border.

20. The Textile Commissioner may from time to time issue directions * in writing to any producer or class of producers or the producers generally, regarding the classes or specifications of cloth or yarn, and the maximum or minimum quantities thereof, which they shall or shall not produce during such periods as may be specified in the directions, and they shall comply with such directions.

20 A. No producer other than a producer who has no spinning plant shall produce any article of clothing or any other article from cloth.

20 B. (i) No producer shall employ any spindle in his undertaking except for spinning of yarn;

(ii) No producer having a spinning plant shall employ any loom in his undertaking except for the weaving of cloth.

20 C. No producer having a spinning plant shall undertake or carry out,

(a) any processing of any cloth or yarn not produced by him;

(b) the spinning of yarn out of cotton or cotton waste not owned by him.

* Directions were issued by Notification dated 30th November 1948. (See page xl.)

21. (1) No manufacturer of cloth shall pack cloth except in bales containing not less than 1,450 yards and not more than 1,550 yards.

(2) No manufacturer of yarn shall pack yarn except in bales or packages containing not less than 380 lbs. and not more than 420 lbs.

(3) The Textile Commissioner may, subject to sub-clauses (1) and (2), by a general or special order prescribe the manner in which any manufacturer shall pack cloth or yarn in bales or packages.

22. (1) The Textile Commissioner may specify—

(a) the maximum prices ex-factory, wholesale and retail at which any class or specification of cloth or yarn may be sold;

(b) the markings to be made by a manufacturer or dealer on any class or specification of cloth or yarn manufactured or sold by him and the time and manner of making such markings.

(2) Notwithstanding anything contained in sub-clause (1) above the Provincial Government or an officer authorised by the Provincial Government in this behalf may fix—

(a) the ex-factory maximum price for the purpose of the special marking under clause 26 in respect of any type of cloth for which such price has not been specified by the Textile Commissioner under the said sub-clause;

(b) the maximum prices ex-factory, wholesale and retail at which any cloth produced by a manufacturer or other person referred to in the explanation to sub-clause (2) of clause 23 may be sold and may further specify the markings to be made on such cloth and the time and manner of marking them;

(3) A Court shall presume unless the contrary is proved that the markings made on any cloth or yarn in the manner specified under this clause are made in accordance with this Order and that the prices so marked are the maximum prices specified under this clause.

23. (1) Where the marking to be made and the time and manner of making it in respect of any class or specification of cloth or yarn have been specified under clause 22—

(a) the manufacturer of, or, as the case may be, the dealer in such cloth or yarn shall cause the marking to be made thereon at the time and in the manner specified;

(b) no person other than such manufacturer or dealer shall cause the marking to be made on any such cloth or yarn;

(c) no person other than the manufacturer shall have in his possession or under his control and cloth or yarn which is not so marked, unless it be for *bona fide* personal requirements;

(d) no person shall alter or deface or cause or permit to be altered or defaced any marking made on any such cloth or yarn held by him otherwise than for his *bona fide* personal requirements;

(e) no person shall make on any cloth or yarn any marking resembling the prescribed marking;

(f) no person shall have in his possession or under his control otherwise than for his *bona fide* personal requirements any cloth or yarn the marking whereon is altered or defaced or is of a character specified in paragraph (e).

(2) No manufacturer shall sell or deliver any cloth or yarn of which the maximum ex-factory price has not been specified by the Textile Commissioner under clause 22.

Explanation.—Nothing in this sub-clause applies to a manufacturer who does not manufacture any yarn or to a processor or to a person engaged in the production of handloom cloth.

(3) No person shall in the manufacture of cloth use yarn (other than handspun yarn) the maximum ex-factory price of which has not been specified by the Textile Commissioner under clause 22.

24. (1) No manufacturer or dealer shall sell or offer to sell any cloth or yarn at a price higher than the maximum price specified in this behalf under clause 22.

(2) Every sale of cloth or yarn by a dealer except to a consumer shall be at a price either F.O.R. station of despatch, or ex-godown of storage at the buyer's option: Provided that the commission of a commission agent shall be paid by the buyer.

(3) No person acting as a commission agent in respect of a sale of cloth or yarn to which sub-clause (2) applies shall receive a commission which exceeds ½ per cent of the maximum price of the cloth or yarn the subject-matter of such sale.

(4) The Textile Commissioner may by notification in the official *Gazette* provide for the giving of a cash memorandum by any manufacturer or dealer in respect of any sale transaction, and for the particulars to be contained in any such cash memorandum.

(5) No manufacturer or dealer shall, without sufficient cause, refuse to sell cloth or yarn to any person.

Explanation.—The possibility or expectation of obtaining a higher price at a later date shall not be deemed to be a sufficient cause for the purposes of this clause.

25. (1) Notwithstanding anything contained in sub-clause (2) no manufacturer or dealer shall after the 30th November 1948, buy or sell or have in his possession any cloth or yarn manufactured in India and packed before the 1st August 1948.

(2) No manufacturer or dealer shall buy or sell or have in his possession any cloth or yarn after the expiration of twelve months from the last day of the month marked on the cloth or yarn in accordance with a direction given under clause 22 and no person shall buy or sell or have in his possession any such cloth or yarn in unopened bales or cases after the expiration from the said date of a period of three months in the case of a manufacturer and a period of six months in any other case.

(3) For the purposes of this clause a bale or case shall be deemed to be unopened if the hoops or other bindings and all outer covering have not been removed.

(4) Nothing in this clause shall apply to handloom cloth.

26. Notwithstanding anything contained in sub-clauses (1) and (2) of clause 25, any cloth or yarn not disposed of within the period specified may be kept and sold by a dealer subject to the conditions notified in this behalf by the Textile Commissioner prescribing the special markings to be made on such cloth or yarn, the agency by which the marking shall be made and the fee payable for such marking :

Provided that no such cloth or yarn shall be kept undisposed of by any dealer, or any person holding on behalf of a dealer for more than six months after the date of such marking.

27. Where in pursuance of clause 22(1)(b) or clause 22(2)(b) or clause 26, any piece of cloth is required to be marked at one end with the ex-factory price or with the price at which it is to be sold retail, and the piece is not sold as a whole, that portion of the piece containing the price marking shall be sold last by the dealer.

28. (1) No producer shall, at any time, have in his possession—

(a) a quantity of cloth exceeding the total quantity produced by him during the preceding three months ; or

(b) a quantity of yarn exceeding—

(i) in the case of a person engaged in the production of yarn alone, the quantity of yarn produced by him during the preceding two months ;

(ii) in the case of a person engaged in the production of cloth alone, the quantity of yarn reasonably required by him for producing cloth during the next three months ; and

(iii) in the case of a person engaged in the production of cloth and yarn, the sum total of the quantity of yarn reasonably required by him for the production of cloth during the next three months and the quantity equal to the yarn produced by him during the preceding three months over and above his own requirements during that period.

Explanation.—For the purposes of this sub-clause cloth on looms and yarn in the course of manufacture into cloth shall be excluded in computing the stocks in possession of a producer.

(2) No dealer, processor or other person not being a producer shall, at any time, have in his possession stocks of cloth or yarn in excess of his normal requirements.

Explanation.—For the purposes of this sub-clause the normal requirements of cloth or yarn, as the case may be, of a person engaged in manufacturing from cloth or yarn articles of clothing or other articles such as ropes, tapes, newar, bandages or canvas shall be deemed to be the quantity of cloth or yarn used by him during the preceding three months in such manufacture.

(3) Nothing in sub-clause (2) applies to the possession by any person carrying on the business of banking of cloth or yarn pledged with him by a dealer or manufacturer.

(4) For the purposes of sub-clauses (1) and (2) any cloth or yarn agreed to be sold to a dealer by a manufacturer and of which delivery has not been taken by the due date shall be deemed to be in the possession of the dealer and not of the manufacturer.

29. (1) Any person having in his possession cloth or yarn in excess of the quantity permitted under clause 28 shall forthwith report the fact, in the case of a manufacturer to the Textile Commissioner and in other cases to the Controller.

(2) Any manufacturer or dealer in possession of cloth or yarn in respect of which the period for disposal prescribed under clause 25 or under the proviso to clause 26 is about to expire may report the fact to the Textile Commissioner or the Controller respectively.

(3) Any person making a report under sub-clause (1) or sub-clause (2) shall take such action as to the storage, distribution or disposal of the cloth or yarn as the Textile Commissioner or the Controller may direct.

Additional Powers of the Textile Commissioner

30. The Textile Commissioner may, with a view to securing a proper distribution of cloth or yarn or with a view to securing compliance with this order, direct any manufacturer or dealer, or any class of manufacturers or dealers—

(a) to sell to such person or persons such quantities of cloth or yarn as the Textile Commissioner may specify;

(b) not to sell or deliver cloth or yarn of a specified description except to such person or persons and subject to such conditions as the Textile Commissioner may specify; and

may issue such further instruction as he thinks fit regarding the manner in which the direction is to be carried out.

31. The Textile Commissioner may, with a view to securing compliance with this order—

(a) require any person to give such information in his possession with respect to any business carried on by that or any other person;

(b) inspect or cause to be inspected any books or other documents belonging to or under the control of any person;

(c) enter and search, or authorise any person to enter and search, any premises and seize or authorise any person to seize any article in respect of which he has reason to believe that a contravention of this order has been committed and any other article in the premises which he has reason to believe has been or is intended to be used in connection with such contravention.

32. (1) The Textile Commissioner may, by an order in writing, direct any person who carries on the business of producing or selling a scheduled article—

(a) to maintain such records of his purchases, sales, contracts, or other matters connected with his undertaking or business, and in such form and manner as may be specified in the order;

(b) to submit to such authority returns or statements in such forms and containing such information relating to his undertaking or business and at such times as may be specified in the order.

(2) The Textile Commissioner may by general order published in the *Gazette of India* issue a direction of the nature specified in sub-clause (1) generally to any class of persons referred to therein.

33. (1) The Textile Commissioner may by a general or special permit exclude from or modify or relax to such extent as may be specified by him, the operation of any such provision in respect of any person, act or thing or any class of persons acts or things.

(2) The Textile Commissioner may in any such permit impose conditions, limitations and restrictions subject to which such permit shall have effect.

(3) Notwithstanding anything contained in this order, the provisions of the clauses specified in Schedule C shall have effect subject to the powers of the Textile Commissioner under sub-clauses (1) and (2) to withdraw, modify or relax any or all of the restrictions in those provisions.

34. The Textile Commissioner may by a general or special order in writing and with the previous sanction of the Central Government authorise any officer to exercise on his behalf all or any of his functions and powers under this order.

Procedure and Penalty

35. No person shall, with intent to evade the provisions of this order, refuse to give any information lawfully demanded from him under clause 31 or clause 32, or conceal, destroy, mutilate, or deface any book or other document kept by him in the course of his business.

36. Deleted.

37. Any court trying a contravention of any of the provisions of this order may direct that any article or articles in respect of which it is satisfied that the order has been contravened shall be forfeited to His Majesty.

SCHEDULE 'A'

I. Cotton Card Clothing and Card Clothing Sundries for Flat Cards :—

1. Cylinder Fillet.
2. Doffer Fillet.
3. Sets of Tops.
4. Stripping Fillet.
5. Burnishing Fillet.
6. Hand Stripping Cards.
7. Waltons Brushes.
8. Spiral Strips.
9. Philipsons Sheets.
10. Philipsons Top Clearer Strips.
11. Ashworths Top Clearer Strips.
12. Ashworths Dirt Roller Fillet.

13. Rhodes Stripping Fillet.
14. Lickerin Wire.
15. Blued Steel wire for Roving Waste openers.
16. Card Tacks.
17. Raising Fillet.

For Waste and Wedding Cards :--

18. Cylinder Fillet.
19. Doffer Fillet.
20. Roller Fillet.
21. Clearer Fillet.
22. Fancy Fillet.
23. Under Clearer Fillet.
24. Fancy Stripper Fillet.
25. Humbug Fillet.
26. Feed Roller Fillet.
27. Lockerin Fillet.
28. All other Card Clothing and Sundries.

II. Bobbins for use on Textile Machines other than Jute and Hemp.

1. Slubbing Tubes.
2. Roving Tubes.
3. Ring Rabbeth.
4. Ring Weft Pirns (including Universal and Wadia Pirns).
5. Ring Doubler Bobbins.
6. Warper Bobbins.
7. Paper Tubes and Cones.

III. Shuttles for use in Textile Looms other than Jute and Hemp.

1. Shuttles for Looms (Ordinary).
2. Shuttles for Looms (Automatic).

IV. Imported Tallow.

V. Dyes derived from Coal-tar.

VI. Hydrosulphite of Soda.

VII. Starch.

VIII. Ring Spinning frames and Mules for manufacture of Cotton Yarn.

SCHEDULE 'B'

Maximum Number of Counts of Yarn which a Producer may produce

S. No.	Size of plant, with reference to the number of spindles installed and in working order.	Number of counts of yarn.
(1)	(2)	(3)
1.	10,000	3
2.	For every additional 10,000 spindles or part thereof.	1

SCHEDULE 'C'

Clauses 4, 6, 7, 12, 13, 14, 15, 17, 18, 19, 21, 23, 25 and 28.

Bombay, the 2nd August 1948

No. 80-Tex. I/48 (ii).—In exercise of the powers conferred on me by clause 34 of the Cotton Textiles (Control) Order, 1948 and with the sanction of the Central Government, I hereby authorise the principal officer appointed by each Provincial Government for the administration of the textile control to discharge on my behalf the function under clause 22(1) (a) of the said Order to specify in relation to sales made within his jurisdiction by dealers the maximum wholesale and retail prices of cloth and yarn, provided that where the maximum ex-factory price has been fixed by the Textile Commissioner under this Order in respect of any cloth or yarn, the maximum retail price shall not exceed in the case of cloth 20 per cent and in the case of yarn 15 per cent over such maximum ex-factory price.

No. 80-Tex. I/48 (iii).—In exercise of the powers conferred on me by clause 22 of the Cotton Textiles (Control) Order, 1948 and in addition to the markings specified in my notification No. T.C. (6) 1/44, dated the 19th February 1944 I hereby prescribe the following markings and manner of marking which shall be observed by all manufacturers of cloth and yarn in respect of cloth and yarn packed after the 31st July 1948 :—

Cloth

1. Each piece of cloth shall be stamped with the manufacturer's number or standard markings or serial number specified by the Textile Commissioner in fixing the maximum ex-factory price. The word "serial" shall be marked before the serial number.

Explanation.—For the purpose of this notification a piece of cloth means any running length of cloth and includes cloth comprising an uncut pair of dhoties, towels, sarees or chaddars ordinarily sold by the pair.

2. Each piece of cloth except the items mentioned in para 3 below shall be stamped at a distance not exceeding one yard from the end with the ex-factory price of such cloth, that is to say, the maximum ex-factory price of the particular description of cloth specified by the Textile Commissioner or the contract price, whichever is less.

Note.—If the actual length of the piece is not the standard length for which the maximum ex-factory price has been specified by the Textile Commissioner the proportionate price for the actual length shall be stamped or, in the alternative, the price per yard calculated to the nearest pie.

3. Each piece of cloth comprising a pair of dhoties, sarees, towels, or chaddars or other items ordinarily sold in pairs shall be stamped with the price per pair as in para 2 above; provided that if the piece consists

of a single such item the proportionate price of that item shall be stamped.

4. Damaged and sub-standard pieces and fents exceeding three yards in length shall be stamped with the ex-factory price of such cloth, that is to say, the maximum ex-factory price of the particular description of cloth specified by the Textile Commissioner or the contract price whichever is less expressed either as a price per piece, or as a price per yard or as a price per lb.

5. Each piece or unit of cloth shall be marked with the word "Medium" where the count of warp yarn in the cloth (excluding the border) is 17's or finer (whether single or folded), the word "Fine" where the same count is 35's or finer (whether single or folded) or the words "Fine (Super)" where the same count is 48's or finer (whether single or folded).

6. In the case of mesh cloth the markings prescribed in paras 1 to 5 above shall be made on a piece of cloth stitched to the mesh cloth; in the case of raised blankets they may be made on a small piece of cloth securely stuck on the blanket; in the case of lint cloth they may be made on a piece of paper securely stuck on the cloth.

7. The markings specified in paras 1 to 6 above shall be made in letters and figures not less than ½″ in height on the face plait of the cloth.

8. On every bale or other package of cloth in letters not less than 1½″ in height shall be marked—

(a) the markings specified in 5 above;

(b) the word "grey" or "bleached" or "coloured" correctly describing the entire contents of such bale or package under one or other of these descriptions.

For the purpose of such marking "grey" cloth and "bleached" cloth mean respectively grey or bleached cloth of every description including sarees, dhoties or other cloth with coloured borders only and towels with coloured borders or headings.

"Coloured" cloth means piece-dyed cloth, printed cloth and cloth made wholly or partly from dyed yarn and excludes grey or bleached sarees, dhoties, towels or other cloth with coloured borders referred to above.

(c) If containing fents:—

(i) the word "RAGS" in the case of fents below one yard in length;

(ii) the word "FENTS" in the case of fents of one yard and above but not exceeding three yards, damaged cloth not exceeding three yards in length and fents of dhoties and sarees;

(iii) the word "SECONDS" in the case of fents above three yards but below ten yards and damaged cloth of any length above three yards.

9. A manufacturer may at his option use the following abbreviations in making the markings specified in paras 5 and 8 above, that is to say the letter "M" for "Medium", the letter "F" for "Fine" the letter "F (S)" for "Fine (Super)", the letter "L" for "Grey", the letter "B" for "Bleached" and the letter "C" for "Coloured".

10. Nothing in paragraphs 1 to 8 above except sub-para (c) of para 8 shall apply to fents and other short pieces of cloth not exceeding three yards in length.

Yarn

11. On the label inserted in each bundle of yarn in compliance with my notification No. T. C. (6) 1/44 dated the 19th February 1944, shall also be stamped in letters and figures not less than ½" in height the ex-factory price of such yarn, that is to say the maximum ex-factory price of the particular description of yarn specified by the Textile Commissioner or the contract price whichever is less; provided that in the labels pasted in the inside of cones the letters and figures may be of a smaller size but shall be clearly legible.

12. On every bale or package of yarn shall be stamped in letters and figures not less than 2" in height the ex-factory price as in para 11 above.

13. Nothing in this notification shall apply to:—

(a) handloom cloth;

(b) hand-spun yarn;

(c) cloth and yarn purchased directly by the Government from a manufacturer;

(d) cloth and yarn processed by processors;

(e) cloth woven by a manufacturer not manufacturing any yarn;

(f) cloth and yarn manufactured for export and not for sale in India.

Explanation.—For the purposes of this notification cloth and yarn shall not be deemed to be "manufactured for export and not for sale in India" unless the manufacturer himself exports it or sells it, whether or not in pursuance of a pre-existing contract, to an exporter against any valid export quota licence granted by an export Trade Controller or to a person holding a licence granted by the Textile Commissioner under clause 2-A of the Cloth and Yarn (Export Control) Order, 1945.

No. 80-Tex. I/48 (iv).—In exercise of the powers conferred on me by clause 31 of the Cotton Textiles (Control) Order, 1948, I hereby direct every dealer in cloth or yarn to furnish forthwith to the principal officer appointed by his Provincial Government for the administration of textile control information about the quantities and description including Tex-mark number and month of packing of the cloth and yarn in his possession on the date of this notification whether on his own account and/or on account of any other person.

Directions issued by the Government of India, Ministry of Industry and Supply, under Notification No. 78/Tex.I-48, dated 30th November 1948, to be made effective from 1st January 1949, in all Provinces

No. 78-Tex.I/48.—In exercise of the powers conferred upon me by clause 20 of the Cotton Textiles (Control) Order, 1948, I hereby issue the following directions :—

1. These directions will come into force from the 1st January 1949.

2. (1) Subject to the provisions of sub-paragraph (2) below, these directions shall be complied with by all producers other than producers who have no spinning plant.

(2) If a producer satisfies the Textile Commissioner or such Officer as the Textile Commissioner may appoint in this behalf that there are sufficient reasons why such producer should be exempted from compliance with any or all of these directions or that any or all of these directions should be modified in their application to him, the Textile Commissioner or the Officer so appointed by him may, by an Order in writing, exempt such producer from compliance with any or all of these directions or modify any or all of these directions in their application to such producer.

3. In these directions—

(a) the expression 'basic years' means the years 1940, 1941 and 1942 ;

(b) the expression 'looms installed in an undertaking' means the total number of looms installed in an undertaking but does not include special looms used for the manufacture of diamond mesh mosquito netting or narrow-width looms used exclusively for the production of samples and tapes ;

(c) the expression 'quantity' means quantity as measured by the linear yard ;

(d) the expression 'wearable varieties of cloth' means the varieties of cloth specified in Schedule I annexed to these directions ;

(e) the expression 'non-wearable varieties of cloth' means the varieties of cloth specified in Schedule II annexed to these directions.

4. Except for (a) cloth produced for supply to the Government of India in accordance with an order placed with the producer by the Government of India, (b) cloth produced for experimental purposes, (c) cloth produced for export and (d) non-wearable varieties of cloth specified in Schedule II annexed to these directions, no producer shall produce any variety or description of cloth other than the wearable varieties of cloth specified in Schedule I annexed to these directions. The production of cloth for experimental purposes and of non-wearable varieties of cloth be subject to the provisions of paragraph 5 below.

5. No producer shall at any time employ

(a) more than one per cent of the looms installed in his undertaking for the production of cloth for experimental purposes, or

(b) more than three per cent of the looms installed in his undertaking for the production of non-wearable varieties of cloth and cloth for experimental purposes taken together.

Provided that nothing in this paragraph shall apply to the employment of special looms used for the manufacture of diamond mesh mosquito netting for the production of such mosquito netting or the employment of narrow-width looms used exclusively for the manufacture of samples and tapes for the production of such samples and tapes.

6. No producer shall at any time employ more than five per cent of the looms installed in his undertaking for the production of any one of the varieties of cloth specified below or more than ten per cent of the looms installed in his undertaking for the production of any two or more of the varieties of cloth specified below taken together.

The varieties of cloth referred to above :

(1) Bed ticking cloths
(2) Coatings
(3) Crepes
(4) Drills, and
(5) Twills.

7. No producer shall produce any variety of Drill which weighs less than 6.0 ounces per square yard in the grey state.

8. No producer shall produce any woven coloured shirting (susis) which contains more than two-thirds coloured yarn in the warp. No producer shall produce poplins and woven coloured shirtings (susis) in cloth Groups I to IV and XI to XIII of Schedule III.

9. (1) No producer shall piece-dye any variety of cloth other than coatings, crepes, dorias, drills, lining cloths, longcloths, mulls, poplins, sarees, twills, umbrella cloth and voiles ;

(2) No producer shall in any calendar month piece-dye more than five per cent of the total quantity of cloth produced by him in that month, or seventy-five per cent of the quantity of cloth piece-dyed by him in a month on an average during the basic years, whichever is more.

(3) No producer shall piece-dye any of the following varieties of cloth except in a shade which is fast to bleach :

Poplins, fine and superfine sarees, mulls and voiles.

(4) No producer shall dye with sulphur colours during a calendar month more than one per cent of the total quantity of cloth produced by him during that month.

(5) No producer shall dye any cloth in Standard Olive Green Shade (Scamic No. 314) except cloth produced for supply to the Government of India in accordance with an order placed by the Government of India.

10. (1) No producer shall print any cloth unless he possesses the entire equipment for printing consisting of printing machines, agers, soapers and washers.

(2) No producer shall in any calendar month print more than seven and a half per cent of the total quantity of cloth produced by him during that month, or seventy-five per cent of the quantity of cloth printed by him in a month on an average during the basic years, whichever is more.

11. Of all looms of reed space between 48 inches and 58 inches (both inclusive) installed in his undertakings, a producer shall employ a minimum of seventy-five per cent for the production of dhoties and sarees, that is to say, no producer may use any such loom for the production of any variety of cloth other than dhoties and sarees unless he is actually using at least seventy-five per cent of all such looms for the production of dhoties and sarees.

Explanation.—For the purpose of this direction, bleached, dyed or printed mulls or voiles in fine or superfine qualities will be considered as sarees.

12. (1) No producer shall produce dhoties and sarees in superfine quality which are less than forty-four inches in width.

(2) Of superfine dhoties and sarees manufactured by a producer during a calendar month, a minimum of twenty-five per cent shall be forty-four inches in width.

13. (1) No producer shall produce dhoties with a border more than three-eighths of an inch in width. No more than twelve shafts shall be employed for producing a dobby border for dhoties.

(2) No producer shall produce sarees with a border more than two inches in width. In the case of a plain border the denting shall not exceed four in a dent, while in the case of a fancy border the denting shall not exceed six in a dent.

14. No producer shall produce any wearable variety of cloth which does not conform to the specifications laid down in Schedule III annexed to these directions, that is to say, if the yarn used in the warp is of a count specified in column 4 of the Schedule, the yarn used in the weft must be of the count specified in corresponding entry in column 5, and the difference between reeds and picks must not exceed the maximum limit prescribed in columns 6 or column 7 as the case may be.

SCHEDULE I

WEARABLE VARIETIES OF CLOTH

1. DHOTIES: Grey, Bleached, Mercerised.
2. SAREES: Grey, Woven Coloured, Bleached, Mercerised.
3. MULLS: Grey, Bleached, Dyed, Mercerised.
4. VOILES AND DORIAS: Bleached, Dyed, Mercerised, Printed.
5. LONGCLOTH: Grey, Bleached, Dyed, Printed.
6. POPLIN OR CREPES: Bleached, Dyed, Printed, Mercerised.
7. TWILL: Grey, Bleached, Striped, Mercerised.
8. SHIRTINGS AND SUSIS: Woven Coloured, Drop Box Check, Calendered, Bleached, Mercerised.
9. SHEETINGS: Grey, Bleached.

10. LEOPARD : Grey.

11. DRILLS : Grey, Bleached, Dyed.

12. COATING : Grey, Bleached, Dyed, Woven Coloured, Plain or Dobby Weave, Mercerised.

13. MAZRI CLOTH.

14. BED SHEETS : Grey, Woven Coloured, Bleached, Dyed, Dobby, Jacquard.

15. BED TICKING CLOTHS.

16. FLANELETTES : Bleached, Dyed.

SCHEDULE II

NON-WEARABLE VARIETIES OF CLOTH

(i) Filter cloth, (ii) Gauze cloth, (iii) Lint cloth, (iv) Bandage cloth, (v) Mosquito netting (square mesh), (vi) Handkerchief, (vii) Canvas and Ducks cotton, (viii) Umbrella cloth, (ix) Tapestry or furnishing fabrics and table linens, (x) Overall Jacquard and Leno quality cloths, (xi) Towels, (xii) Dusters and Polishing cloths, size not exceeding one square yard.

SCHEDULE III.

SPECIFICATIONS OF CLOTH

Group No.	Basic counts		Counts		Maximum permissible difference between Reed and Picks	
	Warp	Weft	Warp	Weft	For all cloth except poplin and woven coloured shirtings (susis)	For poplins and woven coloured shirtings (susis)
1	2	3	4	5	6	7
I	6	6	5 to 7	5 to 7	4	...
II	8	8	7 to 9	7 to 9	4	...
III	14	10	10 to 14	10 to 12	4	...
IV	14	14	12 to 16	14 to 18	4	...
V	20	20	18 to 20	18 to 24	4	12
VI	22	30	22 to 24	28 to 32	8	12
VII	30	30	28 to 32	28 to 32	8	24
VIII	30	40	28 to 32	38 to 42	8	24
IX	40	40	36 to 42	40 to 42	8	32
X	44	60	42 to 44	44 to 50	8	32
XI	44	60	42 to 44	58 to 62	8	...
XII	50	60	48 to 52	58 to 62	8	...
XIII	60	80	58 to 62	78 to 80	8	...

NOTE.—In the case of poplins and woven coloured shirtings (*susis*) belonging to Groups IX and X, the permissible maximum difference of 32 between reeds and picks will not apply if the number of picks per inch are 56 or more.

N.B.—It was decided to withdraw Production Control generally, except in regard to price-fixation, according to a decision taken in September 1949 (*vide* Chapter II).

COTTON TEXTILES (CONTROL OF MOVEMENT) ORDER, 1948

GOVERNMENT OF INDIA

DEPARTMENT OF INDUSTRIES AND CIVIL SUPPLIES

NOTIFICATION

New Delhi, 10th September 1948.

(Amended upto August 1949)

No. 101/19-Tex. I/48.—In exercise of the powers conferred by Section 3 of the Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), the Central Government is pleased to make the following order, namely:—

1. (i) This Order may be called the Cotton Textiles (Control of Movement) Order, 1948.

(ii) It extends to all the Provinces of India.

(iii) It shall come into force at once.

2. In this Order, unless there is anything repugnant in the subject or the context,—

(a) "Apparel" includes a garment or other articles of personal or domestic use made wholly or principally from cloth other than knitted cloth but does not include old or used garments;

(b) "Carrier" includes a railway administration or any other person engaged in the business of transporting property from place to place by land, air, sea or inland navigation;

(c) "Hosiery" means stockings, vests, drawers, or other articles of personal use made from knitted cloth or knitted from yarn;

(d) "Cloth" and "Yarn" have the same meaning as they have in the Cotton Cloth and Yarn (Control) Order, 1945;

(e) "Textile Commissioner" means the Textile Commissioner, or an Additional or Joint Textile Commissioner and includes any officer authorised by such Textile Commissioner to exercise all or any of the powers of the Textile Commissioner under this Order.

3. No person shall transport or cause to be transported by rail, road, air, sea or inland navigation any cloth or apparel except under and in accordance with—

(i) a general permit notified in the *Gazette* of India by the Textile Commissioner; *or*

(ii) a Special transport permit issued by the Textile Commissioner.

4. The Textile Commissioner may by order in writing direct any carrier to close the booking and transport of cloth, apparel, hosiery or

yarn or any class or description thereof by rail, road, air, sea or inland navigation between such places and for such period as may be specified in the order, and such carrier shall comply with the order.

5. The Textile Commissioner may, by notification published in the *Gazette* of India, prohibit the transport of cloth, apparel, hosiery or yarn or any class or description thereof from any place within such area as is specified in the notification to any place outside that area by rail, road, air, sea or inland navigation except under such conditions, limitations and restrictions as may be so specified.

6. A carrier may require any person offering any package for transport to make a statement in writing declaring its contents, and may refuse to accept for transport any package unless such declaration of its contents is made.

7. The Textile Commissioner may with a view to securing compliance with the provisions of this Order—

(a) require any person to give information in his possession with respect to any stock of cloth, yarn, apparel or hosiery in his possession or in the possession of any other person,

(b) inspect or cause to be inspected any book or document belonging to or in the custody of any person,

(c) enter and search or authorise any person to enter and search any premises or search or authorise any person to search the luggage of any person travelling in a railway train, vessel or any public conveyance, and seize any cloth, apparel, hosiery or yarn in respect of which he has reasonable cause to suspect that a contravention of this Order has been committed.

8. The Textile Commissioner, may by notification in the *Gazette of India*, prescribe the manner in which any applications for a special or transport permit under this Order shall be made.

9. Any court trying a contravention of any of the provisions of this Order may, without prejudice to any other sentence which it may pass, direct that any article or articles in respect of which it is satisfied that the Order has been contravened shall be forfeited to His Majesty.

10. The Cotton Textiles (Control of Movement) Order, 1946, is hereby repealed:

Provided that anything done or deemed to have been done under any provision of the said Order shall be deemed to have been done under the corresponding provision of this Order, and any reference in any instrument to any provision of the said Order or any notifications issued thereunder shall be deemed to be a reference to the corresponding provision of this Order, or any notification issued thereunder.

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY & SUPPLY

NOTIFICATION

GENERAL PERMIT NO. 1

Bombay, 10th September 1948

(Amended upto August 1949)

No. 101/19-Tex. I/48 (i).—In pursuance of sub-clause (i) of clause 3 of the Cotton Textiles (Control of Movement) Order, 1948, and in supersession of the Textile Commissioner's General Permit No. 1, dated the 26th June 1948, I hereby notify for public information the following General Permit:—

1. For the purposes of this General Permit, India shall be divided into the following zones, namely:—

(1) Bombay Zone: Comprising the Province of Bombay.

(2) Madras Zone: Comprising the Provinces of Madras and Coorg and the State of Sandur.

(3) Orissa Zone: Comprising the Province of Orissa.

(4) West Bengal Zone: Comprising the Province of West Bengal.

(5) Assam Zone: Comprising the Province of Assam, the States of Cooch Behar, Khasi Hill States, Manipur and Tripura.

(6) Bihar Zone: Comprising the Province of Bihar.

(7) United Provinces Zone: Comprising the United Provinces and the States of Benarēs, Rampur and Tehri Garhwal.

(8) Central Provinces Zone: Comprising the Central Provinces and Berar.

(9) Delhi Zone: Comprising the Delhi Province.

(10) East Punjab Zone: Comprising the Province of East Punjab.

(11) Ajmer-Merwara Zone: Comprising the Ajmer-Merwara Province.

(12) Saurashtra Zone: Comprising the States of Saurashtra and Junagadh and Baroda State territories lying in the Kathiawar Peninsula.

(13) Matsya Zone: Comprising the United States of Matsya.

(14) Vindhya Pradesh Zone: Comprising the United State of Vindhya Pradesh.

(15) Rajasthan Zone: Comprising the United State of Rajasthan.

(16) Madhya Bharat Zone: Comprising the United State of Madhya Bharat and Panth Piploda.

(17) Patiala and East Punjab States Zone: Comprising the Patiala and East Punjab States Union.

(18) Baroda Zone: Comprising the Baroda State, but excluding the Baroda State territories lying in the Kathiawar Peninsula.

(19) Hyderabad Zone: Comprising the State of Hyderabad.

(20) Kashmir Zone: Comprising the Jammu and Kashmir State.

(21) Mysore Zone: Comprising the State of Mysore.

(22) Bhopal Zone: Comprising the State of Bhopal.

(23) Travancore Zone: Comprising the State of Travancore.
(24) Bikaner Zone: Comprising the State of Bikaner.
(25) Cochin Zone: Comprising the State of Cochin.
(26) Jaipur Zone: Comprising the State of Jaipur.
(27) Jodhpur Zone: Comprising the State of Jodhpur.
(28) Cutch Zone: Comprising the Chief Commissioner's Province of Cutch.
(29) Himachal Pradesh Zone: Comprising the Chief Commissioner's Province of Himachal Pradesh and the State of Bilaspur.
(30) Jaisalmar Zone: Comprising the State of Jaisalmar.
(31) Andaman and Nicobar Islands Zone.
(32) Sikkim Zone: Comprising the Sikkim State.

Explanation.—Each of the Provinces specified above shall be deemed to include the States which have been merged with it.

2. Transport as personal luggage: Any person may transport or cause to be transported by rail, road, air, sea or inland navigation cloth or apparel as part of his luggage if such cloth and apparel do not together exceed *10 lbs.* in weight.*

3. Transport within a Zone: Any person may transport or cause to be transported by road, air, sea or inland navigation or by goods train or as a railway parcel by a passenger train any cloth, yarn or apparel from any place in any zone described in paragraph 1 to any other place in the same zone.

Provided that nothing in this paragraph shall apply to such transport from Greater Bombay or from the Ahmedabad Municipal Borough.

Provided further that the permission contained in this paragraph is subject to the restrictions which may be imposed from time to time by any order of a Provincial or State Government.

3A. Transport of handloom cloth: Any person may transport or cause to be transported by road, air, sea or inland navigation or by goods train or as a railway parcel by a passenger train any handloom cloth from any place in any zone to any place in that or any other zone.

4. Transport under Military Credit Notes: Any person may transport or cause to be transported by rail a consignment of cloth or apparel if such consignment is made under Military Credit Note and is booked for transport by rail:—

(a) from any place in the Madras, Mysore, Cochin and Travancore Zones to any place in or beyond those zones ;
(b) from any place in the Central Provinces Zone to any place in the Assam, West Bengal, Bihar or Orissa Zones or to any place in the United Provinces Zone lying on or to the east of the railway line connecting Jhansi, Cawnpore, Lucknow and Gorakhpur ;

* This is cancelled by a Notification of 13th August 1949 by the Government of India. Any quantity can now be transported from any place to any other place by all modes of transport.

(c) from any place in the United Provinces Zone to any place in the Assam, West Bengal, Bihar or the East Punjab or Patiala and the East Punjab States Zones;

(d) from any place in the Bihar or Orissa Zone to any place in the Assam or West Bengal Zone;

(e) from any place in the Jaipur, Jodhpur, Bikaner, Jaisalmar, Ajmer-Merwara, Matsya and Rajasthan Zones to any place in these States, and the United Provinces Zones;

(f) from any place in the Bombay or Kolhapur Zones to any place included in or beyond those Zones;

(g) from any place in the Hyderabad Zone to any place outside that Zone;

(h) from any place in the Saurashtra and the Cutch Zones to any place in or beyond those Zones;

(i) from any place in the Madhya Bharat or Vindhya Pradesh Zones to any place in those Zones or in the East Punjab, Delhi, Patiala and East Punjab States or the United Provinces.

5. Transport under free railway passes issued by the Welfare General's Branch: Any person may transport or cause to be transported by rail a consignment of cloth or apparel if such consignment is made on a free railway pass issued by an officer of the Welfare General's Branch competent to issue such passes in connection with the amenities, comforts and entertainments for Services.

6. Exempted Articles: Any person may transport or cause to be transported by rail, road, air, sea or inland navigation from any place in any Zone to any place in that or any other Zone any article of the following description:—

(i) Belting Cotton.

(ii) Cotton covered rubber lined delivery fire-hose.

(iii) Gloves.

(iv) Tape Cotton.

(v) Tarpaulin.

(vi) Tentage, i.e. completed tents.

(vii) Cotton wool or absorbent cotton.

(viii) Glazed Holland cloth used for tyre manufacture.

(ix) Surgical dressings.

(x) Gauze and lint in packets, no packet exceeding 10 lbs. in weight and bandage cloth not exceeding 9″ in width when these items are consigned to a registered medical practitioner, a hospital, a medical store or a pharmacy.

(xi) Durries and Shatrangies.

(xii) Sanitary Towels.

(xiii) Rubber Sheeting.

(xiv) Oil cloth.

(xv) Leather cloth.

(xvi) Tape-newar.

(xvii) Camouflage netting.

(xviii) Umbrellas.

(xix) Horse netting.

(xx) Cotton string.

(xxi) Cotton Twine.

(xxii) Hard waste, i.e. the categories of yarn more particularly specified below which are knotted and entangled and unsuitable for weaving :—

(1) Grey sized long ends.
(2) Grey unsized long ends.
(3) Coloured unsized long ends.
(4) Coloured sized long ends.
(5) Grey unsized short ends.
(6) Grey sized short ends.
(7) Coloured unsized short ends.
(8) Dirty beam ends.
(9) Warping hard waste.
(10) Bleached yarn waste.
(11) Coloured yarn waste.
(12) Coloured mixed yarn waste.
(13) Winding hard waste.
(14) Winding hard waste dirty.
(15) Reeling hard waste.
(16) Bobbin out waste.
(17) Bonda piecer waste.
(18) Weaving sweeping.
(19) Oily hard waste.
(20) Pulled out and broken cops.

(xxiii) Ready-made pillows.

(xxiv) Hand spun and Hand woven khaddar cloth (Shudh Khadi) or hand spun yarn certified as such in writing by the Secretary of the Central or any other branch of the All-India Spinners' Association or by the Shri Gandhi Ashram, Meerut.

(xxv) Waste yarn of count below 15.

Explanation.—The expression "Camouflage netting" means nets having meshes of about $\frac{3}{4}''$ square made from lines cotton cable laid of not more than 10s, having a circumference of 3/16" in which all crossings of yarn in either direction are knotted.

7. This General Permit is subject to the restrictions which may be imposed from time to time by any Order of the Textile Commissioner under clause 4 or any notification of the Textile Commissioner under clause 5 of the Cotton Textiles (Control of Movement) Order, 1948.

PERSONNEL OF TEXTILE ADVISORY COMMITTEE, 1949 TO THE GOVERNMENT OF INDIA

New Delhi, the 13th May 1948

No. 87-Tex. I/48.—In view of the Government of India's policy to relax control over cotton textiles it has been decided to abolish the Textile Control Board and to replace it with a Textile Advisory Committee.

2. The functions of the Textile Advisory Committee will be :—

(a) to advise Government from time to time on Cotton Textile policy, and particularly on the fairness of prices of cloth and yarn fixed by the Industry ; and

(b) to advise generally on matters pertaining to the development of the Textile Industry, allocation of spindlage, loomage for expansion, assistance as regards raw materials, millstores, coal, transport, etc.

TEXTILE ADVISORY COMMITTEE (1949)

The following persons are at present serving as members of the Committe :—(Revised upto August 1949.)

(1) Shri Krishnaraj Thackersey ; (2) Shri Neville N. Wadia ; (3) Shri Kasturbhai Lalbhai ; (4) Shri Ambalal Sarabhai ; (5) Sir Shri Ram ; (6) Shri Mangturam Jaipuria ; (7) Shri R. C. Jall, M.A., LL.B.; (8) Shri G. D. Birla ; (9) Shri S. C. Roy ; (10) Shri B. W. Batchelor ; (11) Shri J. R. Marshall ; (12) Shri Hariharnath Shastri ; (13) Shri Khandubhai Desai ; (14) Shri Ramalingam Chettiar ; (15) Prof. N. G. Ranga ; (16) Shri A. S. Thakore ; (17) Shri A. D. Balasundaram ; (18) Shri Satish Chandra Das Gupta ; (19) Shri Sukumar Dutt ; (20) Shri Y. M. Paoniker ; (21) Sir Chunilal B. Mehta ; (22) Shri S. H. Bhagawati ; (23) Shri Kalidas Sawhney.

PERSONNEL OF OTHER ADVISORY COMMITTEES APPOINTED TO ADVISE AND ASSIST THE TEXTILE COMMISSIONER

New Delhi, the 5th June 1948

No. 87/2-Tex. I/48.—As a result of lifting of price and distribution control over cotton textiles, the Textile Control Board has been abolished. The various Committees and Sub-Committees of the Board which used to advise the Textile Commissioner on various matters connected with the administration of the Textile Control Board have also ceased to exist. It is, however, considered desirable that the Textile Commissioner should continue to receive the assistance and advice of the Trade and the Industry in matters connected with his day-to-day duties. It has, therefore, been decided to appoint the following three Committees :—

(1) Committee No. 1—For working out prices of cotton textiles required by Government and to assist in the allocation of contracts for cotton textile materials ;

(2) Committee No. 2—To advise on questions relating to raw cotton; and

(3) Committee No. 3—To advise regarding the import and distribution of millstores.

PERSONNEL OF COMMITTEES (1949)

The following persons are at present serving as members of these Committees :— (Revised upto August 1949.)

Committee No. 1

(1) Shri Krishnaraj M. D. Thackersey; (2) Shri Kasturbhai Lalbhai; (3) Sir Shri Ram.

Committee No. 2

(1) Shri Krishnaraj M. D. Thackersey; (2) Shri Kasturbhai Lalbhai; (3) Shri R. G. Saraiya; (4) Sir Chunilal B. Mehta; and (5) Mr. H. E. Brandon.

Committee No. 3

(1). Shri Krishnaraj M. D. Thackersey; (2) Shri Narottam P. Hutheesingh; (3) Sir John Greaves; (4) Shri S. H. Bhagawati, representing the Association of Merchants and Manufacturers of Textile Stores and Machinery, Bombay; (5) Mr. F. Edward, Director, M/s. W. H. Brady & Co.

Central Advisory and Regional Advisory Committees, 1949

The constitution of the Central Advisory Committee, and the Regional Advisory Committee appointed in September 1949, is given on page xxiv.

THE COTTAGE INDUSTRIES BOARD—1949
STANDING HANDLOOM COMMITTEE

In accordance with the announcement of the Government of India Industrial Policy dated 6-4-1949, the Central Government decided to constitute a *Cottage Industries Board.*

The Board have, *inter alia*, the following functions :—

(1) To advise and assist Government on the organization and development of Cottage and small-scale industries.

(2) To examine and advise how Cottage and small-scale industries can be co-ordinated with large-scale industries.

(3) To examine the schemes of the Provincial and State Governments for the promotion of Cottage and small-scale industries and to assist in co-ordinating them.

(4) To advise the Government on the marketing of the products of Cottage Industries in India and abroad.

The Board appointed sub-committees for particular purposes. One of the Committees, viz. 'Standing Handloom Committee' is dealing with handloom production. This Committee replaced the All-India Handloom Board.

PERSONNEL OF THE STANDING HANDLOOM COMMITTEE OF THE ALL-INDIA COTTAGE INDUSTRIES BOARD (1949)

Chairman : Prof. N. G. Ranga, M.C.A.

Members (From among the non-official members of the All-India Cottage Industries Board) :

(1) Mr. B. Shiva Rao, M.C.A. ; (2) Mr. Satish Chandra Das Gupta ; (3) Mr. R. G. G. Deshmukh ; (4) Mr. C. M. Sukhia.

(From among official members of the All-India Cottage Industries Board) Nos. 5 to 17.

(5) The Director of Cottage Industries, Assam (Mr. T. T. S. Hayley, I.C.S.) ; (6) The Director of Industries, West Bengal (Mr. D. N. Ghosh) ; (7) The Director of Industries, Bihar (Dr. Krishnaswami) ; (8) Mr. T. Y. Deo, Co-operative Department, C.P. & Berar ; (9) The Provincial Firka Development Officer, Madras (Mr. Venkatachalapathi) ; (10) The Joint Registrar of Industrial Co-operatives and Village Industries, Bombay (Mr. D. A. Shah) ; (11) The Director of Industries, Orissa (Mr. M. L. Narsimiengar) ; (12) The Director of Cottage Industries, U.P. (Mr. B. K. Ghosal) ; (13) The Hon'ble Finance Minister, East Punjab ; (14) Director of Industries and Commerce, Jammu and Kashmir ; (15) Secretary to the Government of Mysore, Development Department ; (16) Director of Commerce and Industries, Hyderabad ; (17) Minister for Rural Development, Travancore State ; (18) Mr. J. R. Marshall, Madura Mills Co. Ltd., Madura (to represent the Textile Mill Industry) ; (19) Mr. A. S. Padukone, President, Textile Processors Association, Bombay (to represent the handloom processing industry) ; (20) Prof. M. P. Gandhi and (21) Mr. Hrishikesh Mokerjee (persons with specialised knowledge of the handloom industry) ; (22) Mr. K. A. Venkataramiah (to represent handspinning industry).

(Weavers' Representatives nominated by the Chairman of the All-India Cottage Industries Board) Nos. 23 to 36.

(23) Mr. Sasidhar Maliya, Jorhat, Assam ; (24) Mr. Sukumar Datta, L.L.A., West Bengal ; (25) The Hon'ble A. G. Ansari, Minister for Cottage Industries, Bihar ; (26) Mr. P. R. Chikodi, Chairman, District Industrial Co-operative Society, Belgaum, Bombay ; (27) Mr. Y. N. Paonikar, C.P. and Berar ; (28) Mr. M. Somappa, Madras Presidency ; (29) Mr. Pragada Kotayya, Madras Presidency ; (30) Mr. C. S. Ratnasabhapati Mudaliar, Madras Presidency ; (31) Mr. Hari Ram, Secretary, All-India Spinners' Association, East Punjab ; (32) Mr. Raizuddin Ahmed, Allahabad (U.P.) ; (33) Mr. Madanmohan Patnaik, M.L.A., Orissa ; (34) Mr. Ghanshyambhai Thakkar, Bhavnagar, Saurashtra ; (35) Miss Mithuben Petit, Kasturba Ashram, Naroli, Baroda ; (36) The Textile Commissioner, Ministry of Industry & Supply ; (37) The Chief Controller of Exports, Ministry of Commerce ; (38) Development Officer, Cottage Industries, Directorate-General of Industries & Supplies, Ministry of Industry & Supply.

Three Additional Members appointed in September 1949

(1) The Provincial Textile Controller of Madras, (2) of Bombay, and (3) of West Bengal.

Latest Information

Do Glance at this "Digest"
It will prove to be of interest ! !

* There are 357 Cotton Textile Mills in the Union of INDIA and 14 in *Pakistan.*
* There are 156 composite and 18 spinning mills in the Bombay Zone, while in the Madras Zone there are 16 composite mills and 49 spinning mills. For the whole of India, there are 265 composite mills and 92 spinning mills (1-1-1949).
* The spindles in composite mills are 87 lakhs, and in spinning mills, 14 lakhs. The number of looms in mills was 1,92,000.
* Out of the total production of cloth, viz.: 4,319 million yards 340 million yards represent the production of superfine cloth (warp counts 48s and over), 601 million yards represent the production of fine cloth (warp counts 36s and upto 48s). The former category, viz. superfine, works out to 8 per cent of the total production in 1948, the latter, viz.: fine, works out to 14 per cent, and both together (superfine and fine) to 22 per cent (1948).
* The coarse and the medium categories of cloth representing warp counts below 17s, and warp counts 17s and upto 36s, represent 798 million yards and 2,580 million yards respectively. The percentage of each of these categories to the total production of cloth in India works out to 18 per cent and 60 per cent respectively.
* *Thus the production of superfine variety is 8 per cent, fine variety 14 per cent, medium variety 60 per cent and coarse variety 18 per cent* (1948).
* It will be interesting to see the approximate average yardage per lb. of cloth in each category Superfine, 8.3 yards to the lb. Fine, 6.2 yards to the lb. Medium 4.15 yards to the lb. and Coarse, 2.95 yards to the lb. The general average is 4.2 yards per lb. of cloth (1948).
* Of the total yarn produced, viz. 1,447 million lbs. in 1948, 11 per cent was upto and including 10s, 56 per cent upto 20s, 26 per cent upto 40s, and 7 per cent above 40s.
* The production of Pakistan alone in 1948 was about 100 million yards of cloth or 30 million lbs. of yarn.
* The Cotton Textile Industry, which is by far the single largest industry in the country, has a block capital of well over Rs. 100 crores, provides employment for 7,00,000 workers, works over 10.4 million spindles and 2,02,000 looms capable of producing well over 1,447 million lbs. of yarn, and weaving 4,319 million yards of cloth and consumes about 42 lakhs bales of cotton of which about 35 lakhs bales are Indian cotton, annually (1947-48).
* A major portion of the surplus yarn of the mills is supplied for handloom production on a cottage industry basis whose total volume of production is approximately 1,300 million yards annually. (See Table 15.)
* It will be interesting to note that the value of production of the entire mill industry at the current prices will work out to approximately Rs. 500 crores, while the value of production of the entire handloom industry will work out to approximately Rs 100 crores (Rs. 600 crores in all).
* That the handlooms supply nearly 26 per cent of the cloth consumed in the country per year.
* That the handlooms maintain at present a population of about 25 lakhs as against a bare 7 lakhs employed by the Mill Industry and this means that nearly 78 per cent of the Textile Workers of the country are employed by the handlooms.
* That the 25 lakhs workers engaged in hand-weaving maintain, including themselves. a total population of about 10 millions.
* The entire production of Mill cloth is now subject to an excise duty, of varying amounts, 25 per cent on superfine, and 3 pies per yard on coarse goods.
* The export of piecegoods in 1947-48 and 1948-49 was 192 and 340 million yards and in the first five months of 1949-50 it was 148 million yards. The import was 26 million yards and 47 million yards in 1947-48 and 1948-49, and in the first five months of 1949-50 it was 58 million yards.

Bombay, 30th October 1949. M. P. GANDHI

N.B.—PLEASE NOTE TWO CORRECTIONS :

In Table No. 2 on Page i of "At a Glance" *substitute* 2116 *for* 1846 for the year 1947-48 and *substitute* 1864 for 1846 for the year 1948-49.
Revenue duty on import of cotton twist and yarn was removed from October 1948 (Table No. 14 on p. viii)

LATEST INFORMATION

Re : Imminent Reduction of Prices of Textiles, Reservation of field for Handlooms, etc.

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY.

PRESS NOTE dated 11th October 1949

Recommendations of the Textile Advisory Committee

A meeting of the Textile Advisory Committee took place in New Delhi on October 10, 1949, under the Chairmanship of the Hon'ble Minister for Industry and Supply.

In order to reduce the price of cotton textiles to the consumer the Committee recommended that the ex-mill price of cloth and yarn should be reduced by four per cent and that the margin allowed to the distribution trade should be reduced by six per cent in the case of cloth and two and a half per cent in the case of yarn.

In order to assist the mills further to clear the accumulated stocks of cloth the Committee recommended that in respect of the two-thirds share of production, now reserved with the Provincial and State Government nominees, firm orders should be placed by them by the middle of the month of production, and that mills should be free to sell the cloth through licensed trade channels, if no such firm orders are placed by that date.

As regards yarn, the Committee recommended that for a period of three months in the first instance mills should be free to sell their production through licensed trade channels subject to their making arrangements for meeting the requirements of the handloom industry.

The Committee endorsed the proposal of the Handloom Committee of the All-India Cottage Industries Board that at least one-third of the Government of India's requirements of cotton textiles should be purchased in the form of handloom products and that Provincial and State Governments should also purchase handloom products against their own requirements.

The Textile Advisory Committee also endorsed the proposal of the Handloom Committee that the Government of India should set up an organisation as part of the Textile Commissioner's Office for assisting the handloom industry as regards designs and the marketing of the products both in India and abroad.

The Committee also agreed with the suggestion of the Handloom Committee that an Expert Committee consisting of the representatives of the Textile mills and of the handloom industry should be set up to examine what field of production could be reserved for the handloom industry.*

These proposals are now under the consideration of the Government of India and decisions will be announced in the near future.

30-10-1949 M. P. GANDHI.

* First Meeting of this Committee, of which the editor, of this *Annual*, Mr M. P. Gandhi, is a member, was convened on 7th November 1949.

THE INDIAN COTTON TEXTILE INDUSTRY (1949 ANNUAL)

(A Review of the industry in India, and also in Pakistan, during 1948-49)

Editor : **M. P. GANDHI**

Introductory

Politically and economically, India's second year of independence witnessed a considerable improvement on the first. In strong contrast to the gloom that settled over men and things in the year 1947-48, the year under review can boast of a more cheerful tale to tell. This is of course mainly because the national government found greater time to devote to the large number of pressing social and economic problems facing the nation. While the government slowly and steadily realised the need of going slow in the matter of reforms, particularly in the economic field, there was less disposition on the part of the people also to expect Utopias. Added to these was the important fact that the year 1948-49 was relatively far more quiet on the industrial front and strikes were fewer. In other words, it was abundantly clear that the ship of State was having its sails properly trimmed and a fine wind too to help it on its onward journey, provided the gods would bless it.

The Hon'ble Dr. Syama Prasad Mookerjee, Minister for Industry and Supply, claimed in March 1949 that the country had turned the corner. In view of the improvement in industrial production in the first quarter of 1949 which on a percentage basis was estimated to be 12 to 16 per cent over the previous year, Dr. Mookerjee seemed to be right. He did not minimise the fact, however, that economically the country was not out of the wood yet and that it is too soon to shout. After all, the partition of India has inflicted many hardships in the matter of availability of raw materials and it would be idle to expect such disadvantages to be overcome immediately. Moreover, even with a fair amount of goodwill on the part of labour, the efforts to increase production were severely limited by the highly depreciated equipment and the difficulty of replacements of machinery. Thus, the improvement in industrial relations could not be fully reflected in the national figures of industrial output and the situation only underlined the essential and basic need of the country for imports of capital equipment and spares at reasonable prices.

The government for its part was not slow to realise that the situation called really for complete freedom from doctrinaire notions of every kind, and a highly realistic industrial policy. The latter was enunciated in a form that satisfied all reasonable people since it kept the essential interests of the country as a whole before it and carefully avoided any fetish about nationalisation. It put before the country a balanced programme, fair and equitable to all concerned—at least so it claimed. It

seemed to hold out prospects of greater scope for industrialists to expand their programmes, while at the same time sought to assure the labouring classes that they would not be exploited in future. The government itself decided to undertake some projects of basic importance to the national economy, while at the same time leaving a sufficiently important sector of industry for private enterprise. Nevertheless, it was clear that the policy of progressive development depended entirely on the co-operation which industry, labour, and the people showed towards one another and to the government.

Change in Consumer Psychology

We may in passing also refer in this connection to the slight change in consumer psychology which in due course is bound to play a very important part in reducing inflation. Other countries with ambitious production schedules have already begun to feel that the international sellers' market no longer exists and that the world as a whole is on the eve of a price decline. Rising stocks at home and a diminishing demand from abroad are unmistakable signs of a fall in general purchasing power, if not of a trade depression. We in India have yet to witness any serious downturn in prices of manufactured goods because our *malaise* is still short production, low efficiency and an abnormally high cost structure. We have therefore not experienced any decline in prices, but there is no mistaking the fact that the consumer is becoming conscious of the possibility of lower prices and is putting off his purchases in that hope. Such an attitude of moderation in purchases in a country, which till last year was not unwilling to pay exhorbitant prices, is bound to have its inevitable effect in halting the upward trend of prices, if not of reversing it. The great wonder is that this has actually happened in the cloth trade. Who would have expected such a complete change in so short a period ? Yet it is a fact.

Decline in Purchasing Power

In February 1949, Mr. Kasturbhai Lalbhai addressing the Surat Textile Club foreshadowed all-round deflation by 1950, particularly in the textile industry. He based his assumption on the experience of deflation after the 1914-18 war and felt that history would repeat itself. Referring to the mill industry, he observed that at present there was absolutely no scarcity of cotton cloth and that stocks had been accumulating everywhere. In fact, according to him, severe crisis loomed ahead and by 1950 the scarcity of cloth would give place to other problems. In view of the very uncertain trend of cotton mill production in India in recent months and the closure of some mills from July 1949 onwards, it would perhaps be going too far to suggest that there is no scarcity of cloth or that the country has been producing enough cloth to satisfy the normal requirements of the country. The phenomenon of accumulated cloth stocks in all corners of the country cannot be denied, but the explanation for it lies not in abundant production but elsewhere. Actually, the full productive capacity of the cotton textile industry in India is not being utilised at present owing to accute difficulty of obtaining raw cotton and electric power. Financial circles explain the phenomenon of commodity shortages and high prices and accumulated stocks existing together by the fact that the purchasing power of the people has fallen, particularly at the present level of prices. In other

words, a stage has been reached when inflation has tended to choke demand; and this is true of the home market as well as the overseas markets. The explanation seems a plausible one when we turn to the trend of prices and the cost of living index, both of which clearly show that the anti-inflationary steps taken by the government since September 1948 have not been productive of much relief.

The main reason for this is the highly uncertain trend of production, particularly in the cotton and jute industries. In the first quarter of 1949, while the other major industries like steel, coal and cement reported higher production, the cotton and jute manufacturing industries have been reporting lower production after a brief period very early in 1949. The full details are discussed in the chapter on production.

The following figures will convey a general idea of the economic situation in the country in the light of the various indices. It will be noted that the wholesale price indices as computed by the Economic Adviser to the Ministry of the Government of India, declined from the 1948 peak of 389.6 to 370.2 in February 1949. While the food group index was showing a fairly consistent fall since the anti-inflationary measures were launched and declined from 397.7 to 372.6, the industrial raw materials group index soared from 438.1 in August 1948 to 462.6 in April 1949. Similarly the cost of living index for Bombay has also shown an upward tendency after April. These indices of dearer living for the masses find an echo in the currency figures which are higher. The disparity in the prices of different categories of goods, especially of manufactured articles and of the raw materials used in their production has become greater latterly. The industrial raw materials index has been steadily rising and today it is higher than the food index, which itself is higher than the index of manufactured articles. No wonder therefore that the general price index has not been brought down, as far as manufactured articles are concerned. In India, we have today a somewhat curious combination of high prices of raw materials, high prices of finished products and accompanied by moderate production and diminishing demand. The last factor is probably due to the contraction in the purchasing power of the consumers, but it is also due to the fact that the backlog of demand accumulated in previous years has been worked off and buyers are nowadays sitting up and taking notice of the price factor. In the result, a somewhat static position as between supply and demand appears to have been reached, the effect of which on the price structure it is too soon to gauge. But the reassuring factor in this context is that strikes are rare and the transport situation has shown a substantial improvement. In the first quarter of 1949, the Indian railways appear to have done a good job by moving greater loads particularly from industrial areas. The monthly wagon loadings were reported to have increased sharply from 751,000 to 837,000, an increase of 12 per cent. At this rate, in view of the higher coal despatches and better output of steel, we should see before the end of 1949, definite improvements in some sectors of the national economy. The situation at present is therefore one which seems to justify only moderate optimism in the general plane.

Trend of Production in 1949

With these general observations, we may now proceed to obtain a bird's eye-view of the developments in the cotton textile industry, as

a prelude to a discussion of the various aspects like production, prices, control, distribution, exports, etc. The industry (and government) were at the outset faced by a major difficulty which is to a very large extent outside their control. Almost all the difficulties could be traced to the lack of raw materials, cotton. An inadequate crop and difficulty of obtaining raw cotton from Pakistan has led up to a situation in which many mills have had to face the prospect of shutting down, and the dependence on import of cotton from overseas has been considerably accentuated. Missions were sent to Africa to obtain supplies of Egyptian, East African and Sudan varieties of cotton and many of the mills, especially in Ahemedabad, have managed to maintain production mainly out of these foreign supplies. Under the circumstances, the old controversy of medium and coarse varieties *versus* fine and superfine varieties completely faded out of importance. The only question was the adoption of measures to maintain, if not increase, the level of production by all manner and means. It will be remembered that the year 1948 witnessed higher production than in 1947 and the output for 1949 seemed moderately bright at the end of 1948. This, however, has not been borne out by later events. In the first three months of 1949, the average monthly output was running about 30 million yards below 1948. Textile circles feel that inefficiency in the weaving department has increased since the output of yarn in 1949 has been maintained at almost the same level as in 1948. There are others who feel that the textile control scheme is itself militating against higher output owing to the limitation in the discretion allowed to the industry as regards production of different varieties. It is also not considered improbable that control over prices might be partially contributing to the fall in production. It will thus be seen that, apart from acute scarcity of raw cotton and the highly worn-out state of the manufacturing equipment, there are other factors like those noticed above which have tended to restrict production. Be these reasons as they may, what matters in the last analysis is that production is being hampered. That is really unfortunate since other circumstances are really so propitious now. It is ironical to think that some bottleneck or other dogs the industry. Till 1948, the industry had to contend with considerable stoppages of work owing to strikes, etc. and with terrible orgies of unfair trading. Now those difficulties have declined in their intensity, but only to give place to other handicaps such as scarcity of cotton, poor disposal of stocks, etc.

Control Continuance announced in July 1949

As far as textile control is concerned, there has been the inevitable revival of discussion about its continuance. Sir Vithal Chandavarkar presiding over the Annual General Meeting of the Bombay Millowners' Association in April 1949, complained that the production control scheme of government had mutilated some of the mills' most reputed and established lines of manufacture, apart from bringing about a reduction in the overall production of the mills. Referring to the reports of large accumulation of stocks in various centres and with the mills, he observed that the distribution scheme introduced by the Provincial Governments and the States left much to be desired. In February, and again in April 1949, many discussions were held in Delhi between all the sections of the industry with Government as a result of which the Minister for Industry and Supply definitely declared on 30th July 1949,

that government had no intention of removing cloth control. (The relevant communique is given on page xxi in "Cotton Industry at a Glance".) The cotton interests fought for readjustment of the ceiling prices, if not for complete decontrol of raw cotton. Obviously, government could not at that stage embark upon decontrol as the consequences of such experimentation might well be as serious as the experience of decontrol in 1948 clearly showed. Far from removing control, the Government of India decided to perfect its machinery by establishing an Enforcement Branch in the Textiles Directorate to ensure that the mills produced cloth of good quality and that they stamped the correct prices on such cloth. There were obvious defects in distribution, but the Central Government had no idea whatsoever of trespassing upon the freedom already given to provincial governments in this respect. They only advised the provincial governments to avoid accumulation of stocks by the grant of more distributing licences. As far as can be stated now, a certain amount of authority and control on textiles is certain to be exercised by the Central Government, even if complete decontrol is decided upon at some future date. In any case, neither the supply position nor the price level prevailing at present (July 1949) would justify the complete removal of control. Maybe, certain features of control have to be readjusted to suit current exigencies, and there is no reason to think that the government would deliberately interfere with the manufacturing freedom of mills unless it be in the public interest. The general opinion seems to be that the output of durable and good varieties had increased latterly, although the overall production may have declined. The conference of textile interests held in Delhi on April 13th, 1949, at which members of the Textile Advisory Committee were present along with representatives of the provincial and States governments, endorsed the view that textile control was working satisfactorily.

Textile Production Control Committee, 1949

While on the subject of production, reference may be made here to the recommendations of the Textile Production Control Committee, which were almost entirely accepted by government in the latter part of March 1949. The tentative cloth production scheme of the Textile Commissioner which came into force from January 1, 1949, was modified in the light of the Sivasankar Committee, which was fully representative of all shades of opinion in the industry. The Committee stated that the maximum limit for fine and superfine varieties should be not lower than 60/80 counts. In its opinion, the manipulation of price schedules by mills to their advantage should be ended, while government should take steps to import 14.5 lakhs bales of cotton from Pakistan and elsewhere, in order to enable the mills to have sufficient raw material. The official resolution on the Committee's recommendations stressed the fact that the control scheme had sufficient flexibility in it to exempt from the operation of production control those mills which found it difficult or impossible to obtain the requisite variety of cotton needed to produce the cloth prescribed by the Government officials. Perhaps the most significant recommendation is that the prohibition of the production of fine and superfine varieties of cloth was not feasible; and government endorsed this view.

The stress on production of varieties has to be maintained because cotton textiles have come to occupy a very important place in the export trade of India and the balance of payments of this country. Two years back, the government had nothing more than an academic interest in the export trade and exporters and mills were obliged to the government for maintaining the export quota of piecegoods. The conservation of supplies for the internal market was the keynote of policy. Now the wheel has turned a good deal. Even though the total available supply for the home market had not increased, the government are giving every incentive to the export trade because we export more and more or suffer for lack of foodstuffs and other essential articles. But all the encouragement given in this regard has not availed the country much. The offtake of piecegoods by other countries has tended to shrink for various reasons. Of these, undoubtedly the most important reason is the lack of competitive power on the part of the Indian exporter. Apart from unfair trade practices, high prices have been the chief obstacle to the development of our export trade in piecegoods as well as other articles. The high prices in turn are due to the inflated wage structure in the industry, which makes it impossible for the exporter to compete on favourable terms in the foreign market. This disability is a very serious one and has grave consequences for the future. This aspect is fully dealt with in the chapter on Exports. While other countries of the world are already preparing themselves to meet the anticipated slump in various ways, in this country, there is very little preparation for that fateful hour. Gone are the days when we can pretend that the industry need only rely on the home market. Times have changed, and rapidly.

World Situation in Textile Production

The world situation in textiles will be clear from the following figures. While the Indian cotton textile industry continues to be handicapped by shortage of raw material and other difficulties, the world production of cotton goods has been rapidly on the upgrade. The downward prices of the U.S. cotton manufactures, the abolition of cloth rationing in the United Kingdom and the growing fears about the revival of competition by Japan are but a few straws to indicate the way in which the wind has been blowing.

Production of cotton and cotton waste yarn during 1948 was stepped up by Lancashire by 22 per cent compared with 1947; that of cotton piecegoods by 19 per cent and of rayon and rayon mixture piecegoods by as much as 29 per cent. In contrast, cotton yarn output in the U.S.A. fell by five per cent from 3,966 million lb. in 1947 to 3,783 million lb. in the following year.

The combined British and American zones of Germany increased their production in the third quarter of 1948 to almost treble the rate of output in 1946. Cotton yarn and cloth production in France, Belgium and Holland declined in the third quarter of 1948, but the fall is considered seasonal. While most of the chief textile manufacturing countries in Europe are still producing less than before the war, countries like Egypt, Turkey, Argentina and Chile, which are successfully developing their own cotton industries have doubled their pre-war output.

Production of cotton yarn in Japan continues to improve only slightly, although cloth output is expanding at a great rate. Yet, the industry's output, of cotton piecegoods in the last quarter of 1948 was only 22 per cent of the 1937 rate. This indicates that the Japanese cotton industry is still finding its rehabilitation period difficult.

International Competition Ahead

There is therefore every reason to expect international competition of an intensified character in the next two years. Already the prices of imported cloth have considerably fallen and in view of their name for durability, even the middle and higher classes of people are going in for such types of cloth. The stage may well be reached when the very rising tide of imports (which will be subject to no protective duties) will both create higher supplies and a situation in which production control may have to be lifted. We are really entering an era which calls for careful thinking and planning by government in co-operation with industry and it will not do if the mills indulge in unhelpful criticisms of the policy of control just to gain a temporary advantage. After all, an inefficient productive machine will be a great handicap in facing competition both at home and abroad; and in the process of obtaining replacements, government have to play an active part. The good offices of government must therefore be secured by the industry at any cost. Nothing can be more conducive to securing that than a policy of willing and whole-hearted co-operation with government. Already, the acute raw cotton situation has brought the government and the mills closer than before in solving the problems of production. It only requires a few more proofs of a helpful spirit on the part of the industry to qualify it for full and unqualified support in the difficult times that are looming on the horizon.

One also hopes that the ultimate significance of world trends will not be lost on the textile labour unions on whom the obligation to accept a realistic wage policy definitely lies. Slump generally entails unemployment, unless there is a readiness to co-operate with the employers in facing lean times. Textile labour in India which has a name for being progressive, should rise to the occasion.

Modification in Textile Policy in September 1949

The occasion is especially a severe one for Textile labour because so many mills in different parts of India have closed down now (August 1949), either completely or some shifts. It is not right to throw the blame on the mills for this *impasse* because they have some valid reasons to close down. They can point, for instance, to the fact that so many weeks' production has not been lifted by the merchants; that supply of raw cotton is not so plentiful as to induce them to continue to produce more. Their main difficulty is of course that up till now they were forced, as a result of a production control scheme, to manufacture cloth for which the public have simply no use whatsoever. The funny part of it is that the consumer is unable to buy what he wants and the Official price stamped on the cloth is not very much below the high levels touched during the decontrol period. Moreover, the same authorities who protested against the high prices charged by the merchants during the decontrol period, have latterly imposed excise duty varying

from 3 pies per yard on coarse and medium cloth to 25 per cent on superfine cloth, not to mention the sales tax and other kinds of taxes, e.g. electricity tax in Bombay, payable in various regions. In fine, then, the consumer has again had to suffer both price-wise and quality-wise. At any rate, there is sufficient ground for the charge that, by and large, textile control is unimaginative, incompetent and fruitless. The Hon. Minister for Industry and Supply would not characterize the situation as a crisis when in September 1949 he met the representatives of manufacturers, labour and the cloth trade, in Bombay. The remedy suggested by him consisted of making the distribution control more elastic, and more extensive for the nonce. The government have rightly refused to be stampeded into a hasty decision regarding the decontrol of prices. The evidence at their disposal has made them declare that "textile control does not call for any fundamental revision of policy". An official announcement of 10th September 1949 announcing changes in textile policy is given on page xxii in "The Cotton Industry at a Glance". One hopes that the relaxation of distribution control would soon result in the clearance of the accumulated stocks and enable the mills to resume production wherever they have closed, and avoid closing on the part of others. One must also recognise in this context an important element in the situation, viz. that Pakistan has not taken the quantities agreed upon between the two Dominions, and the situation is made worse by the recent (August 1949) organized boycott of Indian textiles in Pakistan. Altogether, even if we do not disagree with the official view that there is no crisis as such, there seem to be all the elements of a crisis endemic in the present situation. We say this to emphasize the need for a very close understanding between the mills, the workers and the piecegoods merchants on the one hand and the government on the other. The latter, in the name of the consumer, can too easily fall into the fatal error of keeping the control more rigid than it need be. The parties to production can also equally easily yield to the temptation to prosper at the expense of the consumer when they find the official collar off. We earnestly hope that in the trying times that lie ahead of us all, both realism and vision will be exhibited by all concerned.

CHAPTER I

TEXTILE PRODUCTION

From the production point of view, the past one year has been very disappointing. It is an irony indeed that while textile production in the world in 1949 has been generally maintained over the 1948 levels, in India there should have been a substantial fall. Before we proceed to the details of the Indian picture, it would be useful to have a glance at world conditions in order to have a sense of perspective and to appreciate the impact of world conditions on the Indian Industry which are bound to make themselves felt before long. In the United Kingdom, production of cotton yarn and piecegoods increased slightly during the first quarter of 1949 though the rate of increase was smaller than 1948 in some months. On the other hand, the decline in production in the

U.S.A. which began early in 1949 continued during 1949. Cotton consumption was only 77 per cent of the previous year, but cloth production was not reduced to the same extent. In Japan yarn production has been steadily increasing since the middle of 1948, as the difficulties in securing raw materials which were felt in the first half of 1948 were slowly overcome. Production of piecegoods also increased rapidly, but it appears that the increase was not maintained during the first quarter of 1949. In Europe, Germany increased its production to more than double the 1948 level, while Italy, Holland and Poland also showed some increases. Holland had reached the pre-war level by the end of 1948. The exceptions to this trend were Belgium whose production decreased substantially in the latter half of 1948, and France where production was hampered for many reasons.

World Trade in Piecegoods

According to statistics compiled by the British Cotton Board, the volume of world trade in cotton piecegoods increased steadily during 1948 and on available figures, the tendency in 1949 has been the same. Taking the figures for 12 of the principal exporting countries with the pre-war level as 100, the volume of world trade was 63 in 1947 and increased to 72 in 1948. The U.K's share was 29 per cent before the war, 14 per cent in 1947 and 21 per cent in 1948. During the first quarter of 1949, exports of cotton piecegoods from the U.K. continued to rise. For the first quarter of 1949, U.K. exports to India and Pakistan were 17 million and 19.5 million sq. yards as against 4.5 million and 0.5 million in the corresponding period of 1948. Likewise, in the United States, the export trade in rayon piecegoods has expanded rapidly and is now 4 times pre-war. Only in the Far East, both Britain and America have met with competition from Japanese exports of cloth which reached the highest post-war level at the end of 1948. Meanwhile, the European countries continued to increase their exports of cotton piecegoods, mostly to their own colonies. Italian exports to the Argentine, the Middle East and British East Africa are notable.

Decline in Indian Production expected in 1949

It is against this convincing indication of the international buyers' market that we have to view our Indian conditions of scarcity, and handicaps to production. Quite early in the year 1949, the Chairman of Bombay Millowners' Association drew attention to the decline in the overall output since the start of the year. Compared to 1948, there was a fall in output to the extent of 30 million yards in the average monthly output of all textile mills during the first quarter of 1949. The production of yarn, however, was maintained at a fairly satisfactory level. The following statistics of production, brought up-to-date will be of great interest.

PRODUCTION OF YARN AND CLOTH IN MILLS IN INDIA

Year	Yarn (in million lb.)	Cloth (in million yards)
1945	1.625	4.688
1946	1.396	4.003
1947 (Union)	1.295	3.761
1948 (Union)	1.447	4.319
1948 (monthly average) ...	120	360
1949: January	121	341
February	115	319
March	121	335
April	120	338
May	113	328
June	113	325
July	111	322
August	109	327

Causes of Decline in Production in 1949

It would be seen from the foregoing figures that the output has been on the downgrade since the end of 1948. Textile circles were inclined to attribute the decline to two causes: A fall in the weaving efficiency, and secondly, the production control of Government. It is felt that any restriction, under the present circumstances, was in itself bound to lead to a fall in the output. This was partly illustrated by the fact that although the production of yarn was continuing steady, the output of cloth had declined. It was alleged that the limitation in the discretion of the industry as regards production of different varieties rendered idle a certain amount of the productive capacity inevitably. Even the control over prices was stated to be a contributory factor, but the general impression was that, if production control was removed, output would show substantial improvement. No one was inclined to treat the falling output lightly. Even in April 1949, therefore, textile circles had anticipated the crisis that developed from July onwards and took a serious turn in August. If production in 1945 could be maintained at a fairly high level of 4,688 million yards, there was no valid reason why in 1949 it should have declined to the extent it did, even making allowance for the fact that some 16 mills had since gone over to Pakistan since August 1947 (*vide* page vii for Pakstan production in the "Cotton Industry at a Glance").

Closure of Mills in August 1949

According to Dr. Syama Prasad Mookerjee himself, the average monthly production of cloth had declined from 359.9 million yards, in 1948 to 330 million yards in 1949. Yarn production also declined from 120.6 million lb. per month in 1948 to 116.7 million lb. this year. The curve of both cloth and yarn output was therefore downward. It was pretty obvious that this was hardly the setting in which another price decontrol venture could be embarked upon. The saddest part of it is that at this time (September 1949), 17 mills should be completely closed, while 13 mills had closed one shift and one mill had closed two shifts. Moreover, 17 more mills had given notice to close completely,

and 10 mills to close one shift. At the same time, stocks lying unmoved with the mills were in the vicinity of 150,000 bales at the end of August 1949.

Unemployment in Textile Industry in 1949

The Bombay government have throughout been much concerned at the growing unemployment among textile workers. In the middle of June 1949, about 7,000 workers had been served with notice, while the management were contemplating the sending out of many more. At first, even the millowners were saying that the number of operatives thrown out of work were not so large as to cause alarm, even though the Hon'ble Mr. Gulzarilal Nanda, Labour Minister of the Government of Bombay, gave a warning at the meeting of the Provincial Labour Advisory Board. The reasons for the closure of the mills vary and were reported to include a shortage of cotton, heavy accumulation of cloth stocks owing to the delay in clearance by the merchants, with consequent locking up of funds. Provincial officials were inclined to find fault with the introduction of the three-shift system in many mills. The mills were arguing that, in the interests of cloth production, the third shift should be worked when the requisite facilities were available. In Khandesh, the workers went on strike because the cost of living index fell by 50 points in March 1949, following the introduction of rationing of food in that centre, and which in turn accounted for a decline of Rs. 10 in the earnings of a worker! In the midst of a crisis in the stock position, it is now easy for critics to say that the third shift should not have been worked at all. But then we must remember that early in the year (1949), everyone was exhorting the mills and the workers to raise production at any cost, and at one stage, the Government of India were reported to be negotiating for the purchase of 100,000 bales of raw cotton from U.S.A. and similar quantities from Egypt. Even today, nobody can gainsay the fact that production must be kept up at all costs. The cry of depression in the textile industry may be premature, but is not entirely a spurious cry. If production is not maintained, the country will be in the grip of another price ramp. That must be guarded against at all costs. Further, unemployment in the largest industry of the country is full of unpleasant and ugly consequences in the present political conditions and is likely to be exploited by the unscrupulous political parties against the Government.

To pick up the thread of our narrative since the publication of our last (1947-48) *Annual* in September 1948, we may begin by noticing the essential features of the industry in India which are comprised in the following table:—

	Year ending 31-8-1947	31-8-48
Total number of mills ..	423	422
Paid-up capital	Rs. 63,32,23,705	Rs. 74,93,27,620
Spindles installed	10,353,973	10,433,065
Spindles working	9,584,257	9,580,227
Looms installed	202,662	202,072
Looms working	184,790	185,360
Approximate quantity of cotton consumed (in candies of 784 lb)	1,986,078	2,141,487
Number of hands employed (day shift)	488,370	476,145

Towards the latter half of October 1948, the Textile Commissioner circulated to all the textile mills in India the draft of an Order containing measures of control over the production of cloth, which was intended to be enforced with effect from the beginning of December 1948. It was stated that the Government of India had decided to introduce this measure of control with a view to (*a*) securing the maximum possible production out of the equipments at present available, (*b*) producing cloth of such variety as was required by consumers in different parts of India, and (*c*) increasing production of durable cloth to the maximum extent possible. The draft scheme provided for the grant of deviations from the production control by the Textile Commissioner, if owing to special conditions of machinery or other reasons, any mill qualified for such a deviation. Subsequently, government appointed the Cotton Textile Production (Control) Committee which was also charged with the duty of examining, among other things, the tentative measures of control over production proposed to be introduced through the draft Order, and the desirability and practicability of rationalising the varieties of cloth to be produced by the mills. The draft Order was finalised and published in the *Official Gazette* on 30th November 1948. According to clause (1) of this Order, the Production Control was to come into force with effect from 1st January 1949. (For the text, *vide* page xl, in earlier portion entitled "The Cotton Industry at a Glance".)

Textile Production Control Committee, 1948

By their resolution dated 22nd October 1948, the Government of India constituted a Textile Production Control Committee with Mr. T. Siva Sankar, I.C.S., as Chairman and Mr. Ambalal Sarabhai, Sir James Doak, Messrs. Neville N. Wadia, S. C. Roy, Khandubhai Desai, M.C.A., Chandulal P. Parikh, M.L.A. (Bombay), B. D. Pande, I.C.S., and T. P. Barat, Textile Commissioner, as members.

The terms of reference of the Committee were as follows:—

(*a*) To examine the tentative measure of control over production, which had been introduced, and to advise Government on the measures necessary, for securing the production of durable varieties of cloth;

(*b*) To examine proposals for the restriction or prohibition of the production of fine and superfine varieties of cloth and to advise Government on the following matters:—

(i) whether restriction or prohibition of fine and superfine varieties would increase total production of cloth, and, if so, to what extent;

(ii) whether and to what extent demand for cloth would be reduced and controlled distribution facilitated by the restriction or prohibition of fine and superfine varieties of cloth.

(iii) whether restriction or prohibition of fine and superfine varieties was practicable in view of the present and prospective supplies of cotton;

(iv) what the effect of such restriction or prohibition would be on the progress and development of the textile industry in India;

(v) whether the spinning of finer yarn should be allowed in any case for meeting the requirements of the handloom industry; and

(*c*) whether it was desirable or practicable to rationalise and restrict the varieties of cloth produced, and, if so, what the varieties produced should be.

The Committee submitted a report early in 1949 to Government after circulating a questionnaire to the Millowners' Associations and other organizations concerned and after examining the representatives of these bodies as also of Provincial Governments.

The principal recommendations of the Committee were as follows:

(a) The Committee is in general agreement with the measures of production control introduced by the Textile Commissioner's notification No. 78-Tex.I-48, dated the 30th November 1948, and have suggested certain further measures mainly relating to the prescription of minimum reeds and picks for different varieties of cloth and minimum lea strengths for different counts of yarn.

(b) While recommending these measures, the Committee is of the opinion that production control measures should be flexible. The Committee has recommended that in the administration of the production control measures, the Textile Commissioner and his Regional Directors should be assisted by the advice of a Central and Regional Manufacturing Committee consisting of the representatives of mills, the trade and technicians.

(c) While recognizing that there is a theoretical possibility of increasing total production by a prohibition of the manufacture of superfine varieties of cloth, the Committee has expressed the opinion that even the theoretical increase will be small and would not exceed one per cent even if spinning of yarn (both for the mill and the handloom industries) were restricted to the 60s count and below. On the other hand, the Committee has pointed out that such restriction will unbalance some of the existing mills and may lead to some of the existing production capacity remaining unutilized, so that the theoretical increase may not materialize and on the contrary, there may be a fall in production. The Committee has also pointed out that Indian cotton on which the production of medium and coarse varieties of cloth depends, is in short supply, and prohibition of the utilization of imported cotton of longer staple for the production of fine and superfine cloth may have dangerous consequences. The Committee also feels that it will be a retrograde step to prevent the Indian industry from producing the better varieties of cloth for which a large demand exists in the country. The Committee, therefore, recommended that mills should continue to be allowed to spin upto the 80s count and to weave cloth upto 60s/80s.

(d) The Committee has not recommended that any attempt should be made to standardize production into a narrow range of varieties, but has recommended that a careful study should be made of the production capacities in different mills on the one hand, and consumers' preference in different areas on the other, with a view to bringing about a greater correlation between the varieties produced and the varieties in popular demand.

The Government of India have accepted these recommendations. Necessary orders were also issued in March 1949, to implement the recommendations as regards the prescription of minimum reeds and picks, minimum lea strengths and other detailed proposals made by the Committee (see page xl). The Government also decided to constitute Central and Regional Manufacturing Committees on the lines suggested. The orders issued by the Textile Commissioner provided for flexibility of control. Special exemption from the operation of Production Control measures were to be granted in all cases in which exemption was necessary because the requisite variety of cotton was not available, or the operation of the order involved loss of production capacity. The Textile Commissioner was at the same time asked to make a careful study of production capacities and popular demands with a view to bringing about greater correlation between production and demand as regards

varieties of cloth. The Government of India accepted the opinion of the Committee that it would be inexpedient to attempt a prohibition of the production of fine and superfine varieties of cloth.*

Deficit of Raw Cotton Supply since 1947

As may be seen from the above recommendations, the report of the Committee was thorough. It took some time for the Government to announce its acceptance of these proposals. What we would stress here is the emphasis of the committee on the deteriorating cotton supply situation in the country. It was upto Government to take immediate steps to step up imports of cotton to bridge the gap between supply and demand. The Committee observed that a total import of 14.5 lakhs bales including 6.5 lakhs bales from Pakistan was absolutely necessary to maintain cloth production. The use of Indian cotton in the production of fine variety was out of the question as the supply was just enough to feed the mills engaged in making coarse varieties. Likewise, some of the medium count mills had to switch over to some extent to the manufacture of fine counts. At the time when the report was published, and government accepted the proposals, the general impression was that sufficient latitude had been given to the mills, to produce cloth, within the official framework. Within three months thereafter, it turned out that even this small measure of regulation of the varieties was ill advised, since by the end of August 1949, stocks with the mills had accumulated to the tune of 150 thousand bales, of which, as some merchants bitterly complained, a large part was really unsaleable, at any rate on the basis of the ex-mill prices marked on them. In fact, the cloth merchants made no secret of their opinion that without a reduction of the prices, these stocks would for long remain undisposed of.

It will be noted that, partly owing to the increasing preference of the public for fine varieties—a legacy of the war period—and partly owing to the scarcity of the Indian varieties of cotton ever since the partition of India, our textile production has come to be linked with foreign cotton. Time was when the Indian mill industry was adjured to utilise Indian cotton to the maximum and get rid of the dependence on foreign cotton. That was at a time when huge cotton surpluses abounded in India. Now, what a change! Just when we want to curtail our import owing to the exigencies of the foreign exchange situation, the government has actually to arrange for imports of foreign cotton, if only to keep the mills running and ensure that cloth production was not altogether stopped. Such is the irony of the situation. In April, the authorities were trying desperately to secure one lakh bales from the United States, Egypt, etc. This shows how, even in regard to things which formerly were considered to be within our control, an element of helplessness had been introduced. No wonder, therefore, that when we could not get sufficient cotton from Pakistan, the production programme went completely awry. The clamour from the mills to be given the maximum freedom in production increased and was expressed in no uncertain measure at the discussions held recently (September 1949).

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* These orders (*vide* page xl) were withdrawn generally in September 1949. *Vide* p. xxii.

Rationalisation of Production Suggested

In June 1949, the Minister for Industry and Supply told representatives of the Bengal Millowners' Association that they should concentrate on the manufacture of those varieties of cloth which were popular in the province. According to him, this rationalisation of production according to demand in the province would not only ensure the mills a ready home market and eliminate freight charges but would also relieve the pressure on the transport system. The Minister actually advised a more extensive use of foreign and Pakistan cotton and said that he would be prepared to consider, in fixing prices, the grant of proportionate allowance on goods manufactured from foreign cotton mixed with other varieties. While on this point, we may also mention here that the Government of Bombay had made representations to the Government of India for enhanced powers and control to deal directly with the situation arising from the closure of mills. In particular, they seem to have suggested the extension of control to compel mills to produce cloth suitable for a particular region. This sort of adaptation is however no easy matter for the mills. In May 1949, to mention an instance, Mr. R. U. Shah, Regional Director of Production for Central India zone met the C.P. Millowners to ascertain the practical difficulties in the matter of standardising the quality of cloth as recommended by the Textile Production Control Committee. The mills complained that they had to purchase inferior and adulterated raw cotton during the last season in the markets and such cotton was a serious handicap. Even with the existence of every facility as regards cotton, machinery and labour, the production of the particular variety is difficult unless a mill has got the necessary production facilities. How much more difficult should it be for the mills to comply with official dictation in the matter when conditions are most unfavourable for such adaptation ? Those who think that such a degree of elasticity exists are grievously mistaken.

Stoppage of Work in Mills due to Lack of Coal, etc.

During the first quarter of the year 1949, a serious coal crisis faced the textile industry in Ahmedabad. The coal supplies to the mills were reduced as the wagons were diverted to provide for movement of fodder to the famine areas of Saurashtra. The stock of coal with the mills was very low and the Ahmedabad Millowners' Association passed a resolution to close the mills on March 14th and 16th and at the same time appealed to Government to rush coal supplies to Ahmedabad. Similarly, the Southern India Textile Millowners' Association had to recommend to its member mills to close down for ten days immediately or at least before May 15, 1949. The closure of the mills was necessitated by the cut in the supply of electric power from the Pykara electricity system, Coimbatore. The Superintending Engineer, Mettur Reservoir, had requested all textile mills served by that system to cut down their electricity consumption by 20 per cent or close down for 10 days owing to the low level of water in the reservoir. A Madras Government spokesman added, however, at the time that the closure of the Coimbatore mills would not affect their average annual output of cloth since the mills were obliged to grant 10 days' leave to their workers in a year and the above closure would be timed to serve the double purpose of conserving electric power and also of granting the usual holidays to

the workers. After the monsoon set in, the normal supply of electricity was resumed by the Department, but then other factors developed after June 1949 to compel some of the mills to shut down.

Production Control not favoured by Mills

Before closing this chapter, a brief reference may be made to the views of Sir Vithal Chandavarkar expressed in April 1949. As usual, the Chairman of the Bombay Millowners' Association expressed himself with considerable force on the production control scheme, which he said, had mutilated some of the mills' most established and reputed lines and brought them into disrepute, apart from bringing about a reduction in the overall production of the mills. He pointed out that there should be no picking and choosing by provincial government nominees, the productive capacity of the mills not having kept pace with peoples' tastes and fashions, and that provincial distribution should, as far as qualities were concerned, strictly follow pre-war consumption trends in regard to qualities and quantities in each province. He also referred to the bogey of unsaleable cloth raised by officers of government as an argument against freedom of manufacture and pointed out that every kind of cloth is made in response to a specific trade demand and that no manufacturer would ordinarily like to produce cloth which will not be saleable. Sir Vithal concluded that if a certain variety which had been regularly sold before the control was introduced would not sell now, then the fault lay with the distribution scheme. A very interesting suggestion was also made by Sir Vithal when he advocated that the sole monopoly for internal distribution of the Indian mill-made cloth should be granted to a Corporation established by statute in which the Central, Provincial and State Governments, the mills, the cloth trade and the consumers would have adequate representation. He had in mind the U.K.C.C. which rendered such yeoman service to the Allies during the last World War. Mr. A. D. Shroff, speaking at the annual meeting of the Swadeshi Mills Company, Ltd., early in 1949, also pleaded for a relaxation in the control over production which was criticised by him as ill-conceived and unscientific. The large stocks now reported by the merchants have certainly proved that these warnings given by the captains of industry were right.

We are therefore gratified to note that the authorities have agreed in September 1949, to withdraw Production Control Order except in such respects as are essential for the fixation of prices and except as regards such other details that may be agreed upon between the Textile Commissioner and the representatives of the mills. It is hoped that this will enable the mills to produce the varieties of cloth which they consider to be saleable and in demand by consumers. Likewise, the mills are free to sell one-third of their production in each category (other than production for export or production against Government of India orders) through licensed trade channels, without previous reference to the Textile Commissioner. To watch the working of the above scheme, a Central Advisory Committee consisting of representatives of the Regional Advisory Committees has been set up to advise the Textile Commissioner, in September 1949 (*vide* p. xxiv). This Committee and the Regional Advisory Committees will function as sub-committees of the Textile Advisory Committee. They will, however, act on their initiative whenever necessary.

The next few months will disclose who was right—the Government or the mills. Problems arising from shortage of raw cotton, etc. are dealt with in the chapter on raw cotton. Similarly, the depressing effect of the various duties on production, such as the export duty, the excise duty, the electricity duty, import duty on cotton, etc. are discussed in a separate chapter.

CHAPTER II

TEXTILE PRICES

The issue of cloth prices has been dealt with during the year under review (1948-49) in a more scientific manner than in the past. The system of fixing *ad hoc* prices by the Textile Commissioner on the basis of the figures prepared by the mills and the figures worked out by the technical experts in his office gave place to a system of correct costing undertaken by the Tariff Board, and thereby one of the oft-heard allegations of past years, viz. that the mills were manipulating the fixation of cloth prices to their own advantage, could no more be levelled against either the government or the mills. Moreover, the element of uncertainty and change in the costs of production of various mills for various varieties had distinctly become greater, and the old formulae were out of place in the new set-up. The price of cotton was one of the main factors which called for a proper appraisement in order to fix an equitable price for the finished cloth; and the equitability, be it noted, was as much in the interests of the manufacturers as of the consuming public. It was therefore a happy idea on the part of the government to have asked the Tariff Board to enquire into the costs of production of the various types of cloth and yarn produced, having regard to the changes created by the introduction of the Standardising Scheme devised by the *Ad Hoc* Committee on textiles which reported on 14th June 1947. This scheme did not hold the field for long, as government took the decision on 19th January 1948 to drop the scheme of Standardisation. Accordingly, the terms of reference to the Tariff Board were revised in the light of this fact.

Before we proceed to give a detailed account of the enquiry, one observation may be made. During the years 1943-47, cloth and yarn prices were reduced on a number of occasions and the public were given the satisfaction of knowing that price reductions were made. That was because there was really scope for reducing the controlled prices which in the beginning started by being very high and did yield considerable profits to the mills. Gradually, of course, the stage was reached when prices bore a definite relation to costs, which had in the meanwhile steadily gone up thanks to higher wages, higher prices of cotton, etc. Readers will remember that in the last *Annual*, it was pointed out that the prices of coarse varieties had become uneconomic to the mills and the government had to resort to the levy of a cess on fine cloth, to subsidise the coarse cloth. This manner of subsidising coarse cloth production was very awkward and cumbersome and had to be given up, and during the year 1949, the government adopted the expedient of putting an excise duty on superfine cloth. Gradually, it became clear that the

consumer had to face up to the realities of the higher prices of the various components entering into the cost of production of cloth. The days of soothing sops of price reductions were over. Instead the consumer has to pay a price which is definitely high from the point of view of the general purchasing power, but it is also a price for which the authorities are in a position to offer abundant economic justification. In the recent discussions on the cloth accumulation and consequential closure crisis towards the latter half of 1949, many sections of public opinion pointed out that even the prices now fixed by the Textile Commissioner were on the high side and were calculated to bring considerable profits to the mills. Into that controversy we shall not enter.

We are only concerned to point out in this context the necessity for exploring the scope for reducing cloth prices anyhow. The purchasing power of the public is certainly much less now than it was a year or two ago, and consumer resistance to prices is definitely increasing. Indeed, it might well be a contributory factor in the accumulation of cloth in large quantities. If therefore money in the hands of the people becomes less, as time goes on, it is likely that even the current offtake of cloth may not be maintained, so that critical conditions in the industry may well arise. We are aware that so long as wages remain high and cotton of every variety continues to be dear, cloth prices cannot easily be reduced. But it might be worthwhile to ascertain whether prices of certain common varieties at least can be reduced, in the event of a partial restoration of freedom of manufacture of various qualities and styles to the mills, as seems likely in the near future. The Hon'ble Dr. S. P. Mookherjee has definitely stated in September 1949 that price control would continue in answer to the representatives of the trade who suggested to him the abolition of ex-mill prices although a retail price might be fixed. The demand for the removal of price control obtains its main force from the fact that today, owing to the production control, large stocks of unsaleable varieties remain, with no one interested in buying them. It is argued that there is no hope of disposing of these so-called unwanted varieties except by offering them at prices very much below the stamped prices. Even if there was justification for this argument the new freedom given to the mills as regards manufacture of varieties should obviate a similar development in future.

Too many Burdens on Cloth

On the issue of price control there are supporters on both sides. In May last, Mr. A. D. Shroff admitted that he regarded price control as both fair and reasonable, though he objected to the export duty on cloth. Mr. Neville Wadia also referred to the export duty on cotton textiles at the last annual meeting of the Bombay Millowners' Association. He stated that this imposition has proved a tremendous handicap to the export trade and had prevented attempts to obtain markets in hard currency countries in which Indian Textiles seemed likely to be well received.

Mr. M. P. Gandhi also pointed out in April 1949, by a comparative study of the prices of Indian Textiles in various foreign countries, that the export duty of 10 per cent was handicapping the Indian Industry, and that it had prevented the utilisation of her export quota in various markets. He strongly urged the abolition of the export duty at an early date. This was done in June 1949.

Mr. Wadia also regretted the tendency on the part of provincial governments to place further burdens on the industry, e.g. levy of a Sales tax not only on cloth consumed within Bombay but on that which crosses the border. Thereby each province was trying to collect money not only from its own area but from its neighbours. Another burden on the industry is the electricity duty which the industry is compelled to pay. Its incidence at 33 1/3rd per cent is stated to be the highest duty paid by any industry in the world. We refer to these burdens to emphasize the fact that even if mill prices are reasonable—which they perhaps are not—by the time these various taxes are paid, the cloth becomes very costly to the consumer ultimately, as most of these imposts are passed on to him. The Central Government should find some way of mitigating the incidence of these levies on the consumer by arriving at some understanding with the provincial governments, at any rate in respect of such an essential need as cloth.

Excise Duty on Superfine Cloth in 1949

Towards the latter half of December 1948, the Government of India issued an Ordinance further to amend the Central Excise and Salt Act, 1944, which levied with effect from 1st January 1949 an excise duty of 25 per cent *ad valorem* on superfine cloth, i.e. cloth with warp count of 48s and above produced in the Indian cotton mills. Mills were also required to take out a licence for the manufacture of superfine cloth on payment of the prescribed fee of Rs. 100 and to renew the same every year on payment of a similar amount. Mills were also required to execute a bond with the authority with a security of Rs. 10,000. This Ordinance was issued without consulting the Textile Advisory Committee.

Millowners' Protest against Excise Duty

Protesting against the excise duty, the Committee of the Bombay Millowners' Association pointed out that even when the old cotton excise duties were in force, the mills did not have to deposit a security, or apply for a licence, etc. As regards the duty itself, it was a tax on production and as such unjust and unfair, particularly to the mills which had successfully implemented the recommendations made by several Tariff Boards to produce fine varieties. Moreover, in view of the fact that superfine cloth is made out of foreign cotton on which the industry is already paying an import duty of 2 as. per lb., the excise duty imposes a further handicap on the mills and reduces their power to compete with superfine manufactures imported from abroad. The Committee asked for an assurance that the excise duty would be removed when control on cloth is lifted or when Indian-made cloth is no longer competitive with the imported cloth. We suppose that the Central Government hit upon these duties to earn revenue, but then excise duties go ill with higher exports. Already, the higher price structure of Indian cloth places it at a disadvantage in the markets abroad and the excise duty is a gratuitous addition to the exporters' handicaps.

Summary of events leading to the Price Enquiry by the Tariff Board

The following brief summary of the various developments on the price front since 1939 will help the reader to view the present situation

in its proper perspective. When war broke out in 1939, the prices of cotton manufactures started rising and during the first year of the war, the Economic Adviser's index number of wholesale prices rose from 100 in August 1939 (base) to 113 (in August 1940). After another year, it stood at 197 as on 16-8-1941. After the entry of Japan into the war in December 1941, imports of cloth and yarn completely stopped and the effect of this was seen in the rise in the price index number to 242 by July 1942. Thereafter, the index number rose to 300 in October and 414 in December 1942. The index number had shot up to 513 by June 1943 and the orgies of black marketing convinced government of the need for control over prices of cloth and yarn. The first reduction in prices came in August 1943 when the ex-mill ceiling prices of 12 varieties of cloth were fixed at about 40 per cent below the market prices and the mills were asked to charge these prices. This measure, however, was not effective as the mills could not be compelled to observe the prices. Hence in December 1943, controlled prices were fixed for all varieties of cloth and yarn and mills had to stamp these prices on cloth pieces and yarn bundles. As noted in my previous *Annuals*, with the concurrence of the Industry's Committee of the Textile Control Board, successive reduction in prices were effected in March 1944, June 1944, September 1944, February 1945 and November 1945. The total extent of these reductions was appreciable, and the Economic Adviser's index number came down from 513 in June 1943 to 262 in December 1945, thus showing a 50 per cent reduction. On first February 1946, a new schedule of realization multipliers for fixing grey cloth prices based on the overall reduction of prices mentioned above was introduced. The ex-mill prices based upon this schedule remained unchanged till 1st December 1947. The ex-mill ceiling prices for yarn were revised on 6th April 1946, which also remained unchanged till 1st December 1947. On the 19th January 1948, there was a considerable relaxation in the control over yarn and cloth and the fixing of prices was left to the industry, though the stamping of prices of yarn and cloth continued. The industry issued a new schedule which showed increases in prices by 6¼ per cent in respect of superfine, 12½ per cent in respect of medium and fine, and 25 per cent in respect of coarse varieties. On the 24th April 1948, that *faux pas* of the government, the control over the prices and distribution of yarn and cloth was completely lifted. There was a sharp increase in prices ranging from 50 to 200 per cent higher than the controlled prices fixed and stamped by the industry after 19th January 1948. No wonder that the balance sheets of all the mills for the year 1948 showed handsome profits. According to Mr. Dinkar Desai, a socialist member of the Bombay Corporation, the profits made by the Bombay textile industry in 1948, as revealed by the Industrial Tribunal, amounted to Rs. 20 crores as against Rs. 7 crores in 1947. It is universally felt that the actual profits made by the mills should have been very much more than what they showed in their books.

Price of Cloth fixed on no Scientific Basis

An important point to note about the so-called control prices for yarn and cloth in force during the above period is that they were never based on any adequate investigation of costs. The base prices were taken from the prices of the principal varieties of yarn and cloth ruling in the market. These base prices were progressively reduced from time

to time by the Industry's Committee of the Textile Control Board. The factors such as cotton prices, change in wage levels and taxation, variation of profits of mills and need for giving relief to the consumer, were taken into account in a somewhat cursory manner in altering prices. The point is that neither the government nor the public had any touchstone for discovering whether these reductions were adequate and whether in spite of them, the controlled prices were not excessive. The absence of data on this point and the non-application of a precise formula to fix prices were responsible for nebulous ideas where the greatest precision was needed. So long as cotton prices—and wages for that matter—were steady, this mode of fixation was working alright, but after November 1945 when the prices of cotton began to rise, a differential method of fixing prices for fine and coarse varieties seemed to be necessary. In the last *Annual*, we have noticed at length the demand made by the mills for an increase in the ceiling prices of coarse and medium qualities of yarn and cloth, especially when after 1st August 1946, the shift had been reduced to 8 hours. The government however could not agree to raise the prices of coarse and medium types of cloth, and hence the idea of an Equalisation Fund was born. The mills, however, found this scheme of subsidization of the production of medium and coarse varieties by a levy on fine and superfine varieties unworkable and were reiterating their original demand for an increase in prices of medium and coarse cloth.

Bewildering References to Different Bodies by Government unable to take Decision

In view of the force of public opinion which was prejudiced by the high profits made by the industry, the government did not find it opportune to sanction any increase, and therefore set up an *Ad Hoc* (Departmental) Committee on 1st March 1947 to review the structure of yarn and cloth prices and recommend measures for an increase in production. This Committee formulated the Standardization Scheme under which output was sought to be increased by a reduction in the types and varieties of cloth and yarn produced by the mills. The committee expected that by lowering the average counts of yarn spun by the mills, an increase of about 800 million yards per year could be obtained. The *Ad Hoc* Committee also recommended, by way of a revision in the price structure, of cloth and yarn, that the prices of coarse and medium counts of yarn upto 36's should be increased, but those from 40's onwards should be reduced by various amounts. The proposed increases in the prices of coarse and medium varieties were meant to compensate for the higher prices of cotton and higher wages, so that the production of these types might be made more remunerative and the tendency of the mills to abandon medium and coarse types with a view to go 'finer', may be checked. These proposals of the *Ad Hoc* Committee were not accepted by the government who before taking a decision thereon referred the matter to the Commodity Prices Board (under the chairmanship of Mr. A. D. Gorwala), and the Board would not agree to the proposal for increasing the prices of medium and coarse cloth and yarn. It suggested that a levy should be put on fine and superfine varieties to subsidise the production of coarse and medium varieties.

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Final Reference to Tariff Board in November 1947

With these two bodies differing from each other on this crucial question, the Government of India could not arrive at a decision regarding prices, and accordingly decided to refer the matter to the Tariff Board in their resolution dated 17th November 1947 which, together with the terms of reference, were given in the last *Annual*. Meanwhile, the Tariff Board could not proceed with the price enquiry in view of the advent of decontrol from 19th January 1948 and the fact that the fixation of ex-mill and retail prices was left to the industry. Further, the standardization scheme was not also enforced. The equalization fund was also closed. The quota-holder system was abolished and distribution was restored to the normal trade channels. Even though the industry was left to fix the prices, the Tariff Board enquiry into prices was to continue, if only to satisfy the public about the correctness of the prices. The discontinuing of the stamping of prices from 24th April 1948 made the price enquiry seem a needless waste of public money, especially when control over distribution of yarn was also discontinued. In fact, the only controls maintained were over the distribution of mill stores (even there, dyes were allowed to move freely) and the movement of cloth.

Change in Terms of Reference to Tariff Board due to Lifting of Control

This wholesale abandonment of the control measures instituted from December 1943 naturally narrowed the scope of the enquiry to be made by the Tariff Board, since at least two of the original terms of reference were unnecessary: firstly, the estimate of fair ex-mill prices of cloth and yarn was no longer required to be related to the Standardization Scheme; and secondly, the Board was not called upon to advise government on the control of production and distribution. Hence the terms of reference were revised as follows:

(1) To enquire into the cost of production of the various types of cloth and yarn produced and to estimate fair ex-mill prices of cloth and yarn; and

(2) to devise a suitable method for necessary adjustments from time to time in the fair ex-mill prices of cloth and yarn so as to allow for major fluctuations in the prices of raw cotton and other elements of cost of production.

It is against this background of events and discussion on the question of prices that the Tariff Board commenced its work. We have sketched the same in some detail, so that readers may be able to judge the recommendations of the Board properly.

The Tariff Board Enquiry of 1948

As stated before, it was a happy idea of Government to have expert advice tendered to it on the question of prices of textiles by such a body as the Tariff Board. Normally, only the question of protection to industries is dealt with by tariff boards, but we believe there are in the Dominion countries of the Commonwealth instances of such a body being entrusted with fact-finding as regards prices. In the present case, the Tariff Board carried out its duties with admirable precision, as far

as conditions in India then permitted. It carried out a detailed investigation into the cost of production of certain principal types of cloth and yarn at 16 representative mills located in different parts of the country. The cost investigation covered three different periods :—(1) January-June 1947, the latest period for which the details of cost could be collected from the audited accounts of the mills concerned, (2) January 1948, when cloth and yarn prices were partially decontrolled and the mills fixed their own prices, and (3) April 1948, when control was lifted.

They framed a schedule of fair ex-mill prices of the principal types of cloth and yarn for each of these periods. While the estimates for the first period are based upon the actual cost data collected from the accounts of the mills concerned, the estimates for the second and the third period included, as regards cost data, adjustments for changes in the price of raw cotton, stores and wages. The Board then compared the schedule of its estimated fair ex-mill prices with the schedule of the ex-mill prices as fixed by the Textile Commissioner in the first period, by the industry in the second period, and by the mills themselves in the third period.

The Board issued a questionnaire in December 1947 to 59 mills all over the country inquiring about the types of cotton cloth and yarn produced by them. This was necessary to select a few representative mills for costing purposes, after taking into consideration the size of the mills as well as the types of cloth produced by them. This method of sampling is of course well known. On the 10th March 1948, after decontrol, a fresh questionnaire was issued to all the mills, commercial bodies and prominent industrialists. The Board also visited some mills in Bombay, Calcutta and Madras.

Scope and Method of Costing

On the basis of the cost data collected from the 16 selected mills for the period January-June 1947, costs were tabulated for 40 different counts of yarn ranging from 2s to 100s counts and 102 varieties of cloth which formed the bulk of the production of the costed mills. Out of the 40s counts of yarn again, 12 were selected as key counts for preparing a final estimate of fair ex-mill price of reeled yarn. The selected counts were 6s, 10s, 14s, etc. upto 80s and for each of them there are mills in different regions. As regards cloth, out of 102 varieties costed, 43 varieties of grey cloth woven in long length pieces (excluding dhoties, saries, etc.) were selected and the fair Realization Multipliers were estimated. It would be unnecessary here to follow the details of how these were applied in determining costs. It is enough to mention that the costs were analysed under three main heads :—

(1) COTTON :—For the period January-June 1947, the average cost of cotton to the mills, with a few necessary adjustments and inclusive of all incidental charges, has been taken. For January 1948 and April 1948, the replacement cost of cotton to the mills has been taken on the basis of average prices of different varieties of cotton at which actual transactions took place in the Bombay Cotton Market as reported by well-known firms on the different days of the week ending 3rd January and the week ending 10th April 1948, respetcively.

(2) MANUFACTURING CHARGES comprising: (i) Wages.—These include the mills; actual expenditure on basic wages, dearness allow-

ance, bonus and leave with pay. All the relevant awards of Industrial Courts and/or Arbitration Boards have been taken into account. (ii) Stores. (iii) Power and fuel. (iv) Overheads, exclusive of the items given in (3) below.

(3) DEPRECIATION, INTEREST ON WORKING CAPITAL AND RETURN OF FIXED CAPITAL :—These three items are indeed, very important. Suffice it to say that the Board came to the conclusion that a rate of 4 per cent on the gross block will be an adequate provision for depreciation and accordingly allowed this rate in estimating the fair ex-mill prices. As regards working capital, the interest thereon is an essential element in the cost of production. Most of the mills stated before the Board that the working capital required in pre-war years was 4 months' cost of production, but that the same should now be taken at 6 months' cost of production. Since, however, the average stocks of cotton maintained by mills in India are only of about 4 months' needs, the Board considered 4 months' cost of production to be adequate for working capital. As for the rate of interest, the various mill associations gave figures varying from 3½ to 7 per cent. The fact that many mills have got large reserves is an important point since they do not have to borrow much for working capital. But the available evidence showed that an allowance of 3 per cent per annum as interest on working capital would be adequate. This rate was taken into account in estimating fair ex-mill prices.

Discussions about regulation of profits have shown the demand that they should bear a relation to employed capital which comprises both fixed capital and working capital. In judging the return to be allowed on these two kinds of capital, the Tariff Board treated employed capital on a different footing from working capital. The return on the latter allowed by them has already been noted above. As regards fixed capital, the question arose as to how the block capital should be taken since different methods are followed by mills in regard to making provision for depreciation. The Board allowed a return of 6 per cent on the whole stock for the purpose of estimating fair ex-mill prices, after going into the question exhaustively. The proposals made by the Board regarding a return on the fixed capital on its distribution under different headings not only allowed for reasonable dividends to shareholders, but also left ample provision for the accumulation of reserves and depreciation fund for the purposes of purchasing new machinery in the next few years.

Method of arriving at Fair Ex-Mill Prices of Yarn and Realization Multipliers for Cloth

Depreciation, interest on working capital and return on fixed capital at the rates mentioned above were worked out by the Tariff Boards separately for each of the costed mills. The total figures for all the mills under each of these three items have been added up and divided by the total.

Number of spindle shifts of 8 hours each in the case of yarn and the total number of loom shifts of 8 hours each in the case of cloth; and on this basis, the average return per shift of 8 hours and per loom shift of 8 hours has been separately worked out. This return comes to 4 pies per spindle shift of 8 hours, and 20 annas per loom shift of 8 hours. The return at 4 pies per spindle shift has been converted into return

per lb. of yarn on the basis of production in ozs. per spindle shift of 8 hours. Similarly, the return at 20 annas per loom shift is converted into return per lb. of yarn woven on the basis of production in yards of cloth per loom shift of 8 hours. The figures of return thus obtained have been added to the cost of the raw material and manufacturing charges to arrive at fair ex-mill prices of yarn and Realization of Multipliers for cloths. The Board averaged out these ex-mill prices of yarn and Realization Multipliers for cloths for different mills producing the same count of yarn or same group-variety of cloths. They have thus arrived at fair ex-mill prices of yarn and fair Realization Multipliers for cloths for each of the three periods. These would be applicable to all mills in India.

Adjustment for Changes in the Price of Cotton, etc.

Under the terms of reference, it will be remembered, the Tariff Board was also required to 'devise a suitable method for necessary adjustments from time to time in the fair ex-mill prices of cloth and yarn, so as to allow for major fluctuations in the prices of raw cotton and other elements of the cost of production.' The following method by which the different elements in the cost structure of yarn and cloth can be revised as and when necessary was indicated by the Board. To begin with, the cost structure of yarn and cloth for April 1948 was taken as a basis and then appropriate adjustments were made item by item to allow for major fluctuations in the main elements of cost. In preparing its estimate of fair ex-mill prices for yarn, the cost of raw cotton at its replacement price based upon actual transactions in the Bombay Cotton Market was taken. The cost of raw cotton being by far the largest element in the cost of production, the Board suggested that the period of revision in the ex-mill price of yarn should be the same, namely, 3 months, as for raw cotton. For any quarter, for finding fair ex-mill prices, the replacement cost of raw cotton according to the Board, should be taken at the average of cotton prices prevailing in the Bombay Cotton Market during the first week of the month preceding that quarter. Having taken the cost of raw cotton on this basis and assuming the recovery value percentages, the cost of clean cotton for the quarter was found. In this way, it was noticed that the cost of cotton constitutes about 70 per cent of fair ex-mill prices of reeled yarn. The manufacturing charges inclusive of packing charges came to about 30 per cent of the fair ex-mill prices of yarn. Wages are about 32 per cent of the cotton manufacturing charges or about 9 per cent of fair ex-mill prices. Normally, wages do not change frequently, but if the average wages for the industry as a whole changed by more than 10 per cent either way, the case for revision would be just. Power and fuel constitute about 7 per cent of the total manufacturing charges. If during any price peroid the cost under this item varies by more than 50 per cent, a case for revision would be proper. In the case of a mill using coal for producing at least 75 per cent of its motive power, a compensatory allowance was recommended. Similarly, stores account for 7 per cent of the manufacturing charges while overhead and return constitute about 30 per cent of the manufacturing charges. The latter are however the most stable elements in the cost structure.

The Board proposed that revision of ex-mill prices for cloth should be made simultaneously with that of yarn, and for the purpose of adjust-

ment of these prices, it prepared a statement showing the break-up of Realization Multipliers for April 1948 which are to be taken as a basis. As in the case of yarn, the cost of cotton manufacturing charges should be revised, according to the Board, on the same principles. The Board also declared that if periodical revision of prices was decided upon by government, such revision should be entrusted to an independent body. The Report emphasized the close relationship between the price structure of yarn and cloth on the one hand and the volume and structure of production on the other. The maintenance of prices at a reasonable level depends upon maximum production which in turn hinges upon standardization. The Board, therefore, recommended that standardization should be adapted to the changed conditions. It also urged the need for keeping retail prices with a reasonable limit. Altogether, the Report of the Tariff Board was extremely valuable and interesting, and although a certain section of millowners is reported to have taken strong exception to the method adopted by the Board in arriving at some of its conclusions, which, in their opinion, called for revision, it must be stated that the Board deserve a meed of praise for the swiftness with which they conducted the enquiry, in spite of the handicaps due to lack of uniformity in method of accounting in various mills, absence of all the requisite data, due to short notice, etc. Besides, it is difficult to secure agreement from all quarters. Indeed, certain aspects of the report will be useful for reference for a long time to come.

Government Action in Board's Report not wholly favourable

On the 14th of December 1948, the Ministry of Commerce of the Government of India issued a resolution accepting most of the recommendations of the Tariff Board. They accepted the first recommendation of the Board, namely, that the prices of yarn should be fixed at fair figures arrived at by it with suitable periodical adjustments for fluctuations in raw cotton, manufacturing charges, power, fuel and stores.

Similarly, they adopted the second recommendation of the Board regarding prices of cloth. But government made some changes in adoption of the Board's formula for the purpose of the *Ad Hoc* prices then in force. The Government observed that these prices had evoked complaints from the industry and that they were unremunerative. In view of this, the government examined the weaving cost of three mills which are known to be efficient and to maintain a satisfactory system of accounts. They felt that the weaving charges fixed by the Tariff Board needed some slight revision. The matter was therefore further discussed with the Tariff Board and following this discussion, the Government of India accepted the Board's formula for the price of cloth except that in the place of weaving charges as worked out by the Board, they were allowed for at the rate of 77.44 annas per loom shift for grey cloth of 36″ width which was the Board's overall figure. The government also stated that for periodical revision of prices, any special machinery, as recommended by the Tariff Board, was not necessary since the formula prescribed by the Board was capable of application through the technical staff of the Textile Commissioner. This decision seems to be due to the desire of the Government to keep this power of revision in their own hands.

As regards the allowances reckoned by the Board for depreciation on block (4 per cent), for interest on working capital (3 per cent), managing agents' commission (7½ per cent) and margin of profits, etc. sufficient to provide for a return of 6 per cent on gross block, the Government of India felt that all these issues are of general application to all industries and that some of them had already been covered by the Committee on Profit-sharing. Hence it was proposed to examine the questions on a separate basis.

The Tariff Board's recommendation regarding standardization was ignored, in view of the loss of the types of cotton grown in Pakistan after partition, and the necessity of importing substitute cotton from abroad, production cannot follow any rigorous pattern.

The Board's recommendation regarding control of retail prices and reducing distribution costs was also not accepted by the government, for the reason that since 30th July 1948, the fixation of wholesale and retail margins of profit has been left to the provinces and the States, subject only to one condition, viz. that the total burden on the consumers does not exceed 20 per cent over the ex-mill prices.*

New Cloth Prices in 1949

Towards the end of March 1949, the Textile Commissioner addressed a circular letter to textile mills in the country giving details of the new price schedule. The new rates were fixed on the basis of the differentials which the Tariff Board had recommended for periodical revision of ex-mill prices in relation to the cost of production.

Although the final ex-mill prices are governed by several "allowances", depending on the technical details of manufacture and on the kind of raw material used, the prices were revised approximately on the following basis: coarse varieties upto 18 counts by 2 to 2½ per cent, medium and fine varieties by 2½ per cent to 3 per cent and superfine varieties by 5 per cent. Relevant changes were made in yarn prices and the ex-mill rates of cloth were automatically raised to the same extent.

In his circular letter, the Textile Commissioner stated that the responsibility for calculating and stamping the correct price in accordance with the new schedule rests solely with the mills concerned, and "where any mill happens to have any doubt", the circular said, "it should refer it to the Textile Commissioner for clarification, and the correct price should thus be ascertained before it is stamped on any cloth or yarn". By another order, the Textile Commissioner informed the mills that they could not sell or deliver any cloth of which they had not previously sent a sample to him. The mills were also under an obligation to furnish information to the Commissioner about the manufacturing particulars, and the manner in which the prices of every variety of cloth had been calculated.

The revision of prices, which was being made for the second time since controls were re-imposed in September 1948, follows repeated complaints by the industry that the cost of production has increased in recent months. The reaction in textile circles to this increase in prices

* *Vide* Tariff Board's Report, 1948. We wish these Reports may be published without delay which robs their value greatly.

was that even that did not go far enough. The mills felt that any additional income they might get from the revised prices would be more than offset by the higher expenditure incurred for paying the new electricity duty. Moreover, most of the mills complained of not being able to obtain cotton at the ceiling prices. A feature of the new schedule of cloth rates was that in the case of medium variety a higher increase in price was allowed, because they were mostly made from Pakistan cotton, the prices of which were higher than those of Indian cotton.

To the public the higher prices allowed by the Textile Commissioner for cloth were frankly unwelcome. At a time when the consumer was expecting some relief, 5 per cent increase in cloth prices was a bad blow. It was pointed out that the government had failed to prevent higher prices being paid for 'kapas' cotton than was warranted by the ceilings, and that the excuse that cotton prices had reached the ceilings did not hold good because the ceilings had been reached long ago. It was, however, felt that a bad cotton season was at the root of all troubles. The revision was however understandable since it was effected in accordance with prescribed procedure of linking cloth prices to the price of cotton. But what put salt into the wounds of the consumer was the imposition of Sales taxes, and electricity duties which made cloth unnecessarily dearer. And the only justification for such increase in his burden in this manner appeared to lie in the desire of some of the provincial governments to get additional funds to compensate them for the large loss in revenue which would result from the immediate introduction of prohibition and like schemes, on which they were keen, in spite of the warnings and advice of the Central Government to go slow, in view of the threatened depression and worsening economic situation in the country on various fronts, which indeed called for curtailment of expenditure, both by the Centre and Provinces, on various essential schemes calculated to improve the living standard of the people.

There is possibility of a reduction of about 10 per cent in the prices of cloth from November 1949.

CHAPTER III

TEXTILE FINANCE

The year 1948 was a year of bumper profits to the textile mills. According to one source, the total profits made by the Bombay textile industry alone in 1948 amounted to Rs. 20 crores as against Rs. 7 crores in 1947. It is easy to see where these profits came from. They came from the consumer and most of them were built up during the short period of decontrol, practically from April to July 1948. When the history of the cotton mill industry comes to be written, this would certainly be one of its ugly spots. For, the trebling of profits over 1947 was nothing less than an act of betrayal of the government which embarked on decontrol at the behest of Mahatma Gandhi who had a higher opinion of the commercial world than they gave proof of. We are aware that the industry had expressed itself as being against decontrol and Sir V. N. Chandavarkar would have it believed that the mills were made the scapegoat in that sordid chapter. Whoever may have been responsible, it is an undeniable fact that the mills did make

very much higher profits than previously. Six Bombay mills, viz. Bombay Dyeing, Tata, Swadeshi, David, Edward and Simplex announced after April 1948 that the prices at which they were selling their standard cloths in bulk to wholesale merchants were not more than 45 per cent above the prices fixed on January 20, 1948. This announcement was made on 9th May 1948 in the *Sunday News of India*. Although there had been much more serious bouts of profiteering, even this admission is significant. While we would welcome every occasion of prosperity for this great industry, it has to be pointed out that such prosperity should be part of the general prosperity, and not at the expense of the consumer who after all has stood by the industry, through thick and thin.

In order that readers may have an idea of the improved position of the industry, we give below certain outstanding features of the balance sheet of some well-known mills of Bombay.

Bombay Dyeing & Mfg. Co.

The working of the Bombay Dyeing and Manufacturing Co., Ltd. during the year ended December 31, 1948, resulted in a net profit of Rs. 46,70,015 as against Rs. 19,73,209 in the preceding year.

The directors recommended a final dividend of Rs. 20-8 per share, free of tax, the maximum allowed under the dividend limitation ordinance, as against Rs. 17-8 in the previous year. The company paid an *ad interim* dividend of Rs. 12-8 per share during both years. In their Report, the directors observed that though the new cloth control scheme led to large accumulation of unsold stocks at the mills for some time, latterly the deliveries have been much better. The excise duty of cloth, the sales tax on exports and the electricity duty, the directors pointed out, will result in a rise in the price of cloth, thus adding to the inflation in the country.

A sum of Rs. 52,00,000 has been set aside for Business Profits Tax, Income-tax and Corporation Tax for the year as against Rs. 18,00,000 in 1947. The Directors have put aside the sum of Rs. 24,70,495, being the refund of Excess Profits Tax deposit received from the Government of India.

Interest on the deposit has been taken to the profit and loss account, but the original sum has been set aside to the "Rehabilitation and Development Account". The corresponding amount of E.P.T. refunds in 1947 was Rs. 75,41,801.

Kohinoor Mills

The working of the Kohinoor Mills Co., Ltd., during the year ended December 31, 1948, resulted in a profit of Rs. 1,07,67,222, as against Rs. 24,78,553 in the preceding year. The Directors have recommended a final dividend of Rs. 4-2 per share, making Rs. 10-2 per share for the year, free of tax on capital increased by a 100 per cent bonus. This is equivalent to Rs. 20-4 against Rs. 18 in the previous year.

The Directors have set aside Rs. 50 lakhs for taxation, Rs. 10 lakhs for general reserves, Rs. 3.5 lakhs for "equalization of dividend account" and Rs. 11,37,500 for "deferred dividend account". After

making certain other provisions, the Directors propose to carry forward Rs. 42,264, as against Rs. 19,15,238 in the previous year.

It is stated by the Directors in the report that all taxation upto December 31, 1947, has been paid. There was an under-provision for taxation for 1947 due to a subsequent change in the procedure of calculating ordinary depreciation, which was allowed only from the month following the erection of new machinery. The depreciation agreed to amounted to Rs. 7,03,418, against Rs. 10,34,751 according to the old rules. The resultant difference in taxation has been adjusted against the balance carried forward from the 1947 accounts.

The Directors state that Government released a further sum of Rs. 15,61,081 from the compulsory E.P.T. deposit, leaving a balance of Rs. 1,66,682.

CENTURY MILLS

The accounts of the Century Spinning and Manufacturing Co. Ltd. for the year ended December 31, 1948, showed a profit of Rs. 1,00,60,321, as against Rs. 45,62,761 in the preceding year.

The Directors proposed to pay a final dividend at the rate of Rs. 3-8 per share, including the bonus shares which raised the capital of the company by a hundred per cent during the year. An interim dividend of Rs. 8 per share was paid earlier on the old shares of the company.

The Directors have made the following provisions: Rs. 4,00,000 to engine and machinery deterioration fund, Rs. 94,000 to repairs fund, Rs. 35,71,570 to reserve fund, Rs. 7,00,000 to equalisation of dividend fund and Rs. 46,38,326 for taxation.

The E.P.T. deposit in respect of the year 1945, with interest at 2 per cent per annum, was repaid during the year 1946 with interest and also post-war refunds of E.P.T. will be received by the company in due course.

According to the profit and loss account, the stocks of cotton cloth, yarn and waste on January 1, 1948, amounted to Rs. 79,92,262 and on December 31 the same year to Rs. 1,72,16,836. (*Ibid.*)

SIMPLEX MILLS

The accounts of the Simplex Mills Co. Ltd. for the year ended March 31, 1949, showed a net profit of Rs. 26,90,072 as against Rs. 11,32,898 in the previous year. The directors have recommended a final dividend at the rate of Rs. 6-8 per share, which with the interim dividend previously paid brings it to Rs. 9-8 as against Rs. 10 in 1947-48.

The following appropriations have been made: reserve fund Rs. 98,420, machinery and building depreciation fund Rs. 2 lakhs, machinery renewal reserve account Rs. 5.5 lakhs and taxation reserve Rs. 12.5 lakhs. The profit and loss account has been *debited* to the extent of Rs. 65,36,394 in respect of cotton, stocks of which on March 31, 1949, were valued at Rs. 37,56,533.

VISHNU COTTON MILL

The working of the Vishnu Cotton Mill, Ltd. during the year ended December 31, 1948, resulted in a profit of Rs. 22,43,834 as against Rs. 14,80,829 in the preceding year. A dividend at the rate of Rs. 14 per share, including an interim dividend of Rs. 4 already paid, has been recommended by the Directors.

The Directors have made the following provisions: depreciation Rs. 1,72,265, reserve for taxation Rs. 10 lakhs, depeciation, renewal and extension fund Rs. 2 lakhs, and reserve fund Rs. 3 lakhs. The Industrial Court's award in respect of wages and dearness allowance which had to be given with retrospective effect from January 1947, accounted for over Rs. 15 lakhs.

GOKAK MILLS

The accounts of the Gokak Mills, Ltd. for the year ended December 31, 1948, showed a profit of Rs. 40,52,762 as against Rs. 19,17,536 in 1947. The Directors recommended a final dividend of Rs. 12 per share, making 16 per cent free of tax for the year as against 17 per cent in 1947.

These figures will give some idea of the general position of the mills, during 1948. Mills do not follow a uniform practice in stating the value of raw materials and of finished products. Many of them give these figures in a lump sum, which renders analysis very difficult and investors find it difficult to follow the cotton purchase policy of the mill. We are of course aware of the usual argument trotted out by the mills in favour of grouping these figures, viz. that it would prevent competitors from obtaining insight into the affairs of the mill. But this reason will not hold water since mills like the Finlay Group and Kohinoor give the figures separately for raw cotton. After all, we know that the argument of secrecy is not correct if only for the reason that the Directors of one mill are closely related to the managing agents of another and as such are bound to have access to the correct figures.

Another feature of balance sheets on which we would like to offer comment is the commission paid to selling agents. For instance, in the Kohinoor Mills' balance sheet, two items, viz. 'yarn and cloth commissions' and 'yarn and cloth expenses' to the tune of Rs. 9,27,414 and Rs. 5,17,753 respectively invited speculation. Perhaps these items represented the commission paid to selling agents. The opinion generally felt by shareholders was that the existence of selling agents and the necessity to pay them large sums of money as commission was superfluous, having regard to the fact that the mills are selling their cloth under instructions from the provincial governments. In fact, one firm of managing agents have reduced their expenditure on this item to a mere retainer basis. Ofter the selling agency firm is not unconnected with the managing agency firm and it is suggested that the payment of commission on sales accords ill with the frequently heard complaints of the industry about rising expense. Perhaps the Millowners' Association can take up the matter with their members and arrive at a uniform practice, making for economy in this matter.

Limitation of Dividends Act, 1949

This enactment replaced by an act of legislature the Public Companies (Limitation of Dividends) Ordinance, 1948. The statement of objects and reasons attached to this bill read : "The Public Companies (Limitation of Dividends) Ordinance, 1948, limiting the amount which may be distributed as dividend by public companies, was promulgated on the 19th October 1948 as one of the measures to combat inflation, and increase the financial resources available for industrial development. The present Bill seeks to continue the provisions of the Ordinance for a further period, that is, until the 31st December 1950.

The Bill is limited to public companies, and it provides that the amount distributed as dividend should be limited to the average annual amount distributed in cash during the two years ending 31st March 1948, or six per cent of the paid-up capital of the company, whichever is higher. In calculating the amount of average dividend, allowance is to be made for any alterations in the paid-up capital. The rights of holders of existing preference shares are not to be affected but the return on future issues of such is to be limited to six per cent."

Relief from Taxation

In October 1948, the Government of India announced a series of measures to combat inflation in the country. In the field of industrial production, they felt that stimuli were needed and decided to grant the following concession :—"The rules regulating the allowances of depreciation on plant and machinery for income-tax purposes are to be liberalised. Secondly, new industrial undertakings would be exempt from income-tax for a specified period; thirdly raw materials, plant and machinery imported for industrial purposes would be given relief in respect of customs duty, to the extent that this was possible. As a step to prevent any addition to the existing purchasing power, they decided on the limitation of dividends as seen above, and further also decided to postpone repayment of excess profits tax deposits and of refundable E.P.T. for a further period of 3 years, refunds being however allowable for financing purchase of capital equipment. On the 22nd October 1948, the details of the concession regarding the depreciation allowance were announced. "Commencing with the assessment for the year 1948-49, depreciation will be allowed on new buildings, plant and machinery set up on or after April 1, 1948, at double the existing rate for the first five years and thereafter at the prescribed rate, subject to the condition that the total amount of depreciation does not exceed the original cost of the assets. For factories working on triple shift, additional allowance will also be given upto a maximum of 100 per cent of the normal.

In order to promote the installation of new machinery, it has been decided to give a further concession. If after a period of five years the price of machinery falls below the original cost, the difference between the written down value of the asset and the corresponding value at the reduced price will be allowed as additional depreciation.

For new industrial undertakings of specified categories which commence production in India within a period of three years from April 1, 1948, exemption of income-tax will be allowed for a period of five years

on the profit upto a limit of 6 per cent per annum of the capital employed in the undertaking. If in any particular case the period of three years within which production should commence proves inadequate, government propose to consider the question of extending it at the appropriate time.

Government also announced their intention of granting some relief in respect of customs duty on raw materials and plant and machinery to the extent to which this can be done without injury to Indian manufacturers of similar goods. It has been decided to reduce the present import duty of 10 per cent on plant and machinery to 5 per cent except in the case of certain items where it is proposed either to levy a protective duty or to refer the matter to the Tariff Board. The reduction will apply to all items of machinery in the tariff except electric motors, belting and steel belt lacing, grinding wheels and segments and certain items of textile machinery, namely, spinning rings, wire wheels, pickers and bobbins."[2] As regards industrial raw materials, import duty on cotton yarn was to be abolished.

The necessary legislation to implement the decision relating to income-tax reliefs was to be undertaken in the 1949 budget session. Actually, as there was delay in the matter, the Governor-General issued an Ordinance entitled the Taxation Laws Amendment Ordinance, 1949. This was necessary as the concessions to industry applied with effect from the assessment for the year 1949-50 and as the three previous Ordinances were expiring. Chapter 2 of the new Ordinance amends the Income-tax Act to give effect to the concession of depreciation at double the existing rate for new buildings, plant and machinery set up on or after April 1, 1948, and also to the exemption from income-tax of new industrial undertakings upto a limit of 6 per cent of the capital employed. Both these concessions are for five years from 1949-50 and the Bill contained such a provision. In the absence of its enactment, the provision included for these concessions in the Ordinance under reference was only for 6 months, as the life of the Ordinance is itself only for 6 months.

Higher Depreciation Allowance for Third Shift announced in 1949

A further step to amend the Indian Income-tax Rules with a view to liberalising the provisions in respect of the depreciation allowance for the third shift was taken in August 1949 when the Central Board of Revenue made a fresh announcement on the subject. Hitherto, 50 per cent of the normal allowance was conceded to an assessee on account of double shift working; but hereafter for the five years commencing with the assessment for 1949-50, it is proposed to give an extra allowance upto 100 per cent of the normal allowance instead of 50 per cent, where the concern proves that there was a triple shift working. The calculation of the extra allowance for double shift and triple shift working will be separately made and the normal number of working days in a year will be taken as 300. For instance, if a concern works only double shift for 100 days and triple shift for another 100 days, the extra allowance for double shift will be one-third of 50 per cent and that for triple shift will be one-third of 100 per cent of the normal allowance for the whole year. This concession will apply to all concerns; but is not applicable to an item of machinery or plant speci-

fically excepted by the Act. For the purpose of calculation, the normal allowance means the amount of depreciation allowance for the year calculated under Rule 8 of the Income-tax Rules and excludes the extra depreciation allowance for multiple shift working or for new plant and machinery. As an encouragement to higher production, this measure is welcome, but its usefulness is circumscribed by the mordant fact that so many mills have closed the second and third shifts in recent months, and even one shift working seems to be a matter of God's mercy !

CHAPTER IV

DISTRIBUTION

When the progressive decontrol of cloth and yarn started towards the latter half of January 1948, it will be remembered that control over movement of textiles was also relaxed partially. The government resolution dated 22nd January 1948 permitted free movement of cloth within a zone, while inter-zonal movement was ordinarily sanctioned by the Textile Commissioner, except where such transport appeared uneconomic or unreasonable. In their press note dated 10th May 1948, Government removed all restrictions imposed on the movement of yarn within the Indian Dominion whether by rail, road, post or other means. Towards the end of July 1948, government reimposed control on cloth and yarn and early in September, Government issued the Cotton Textiles (Control of Movement) Order, 1948, which repealed the Cotton Textiles (Control of Movement) Order, 1946. Text is given on p. xliv, amended upto August 1949, in the portion entitled "Cotton Industry at a Glance". According to clause 3 of this Order, no person should transport or cause to be transported by rail, road, air, sea or inland navigation any cloth or yarn or apparel except under and in accordance with the general permit notified by the Textile Commissioner, or a special permit issued by him. In pursuance of this clause, the Textile Commissioner notified the General Permit No. 1 on the 10th September 1948. (*Vide* p. xlvi, in "Cotton Industry at a Glance".)

Accumulation of Stocks

Early — ---- it became clear that stocks with the mills, particularly those in upcountry had accumulated and such accumulation in respect of coarser varieties and grey cloth was particularly large. At the beginning of February 1949, stocks with the Bombay mills were estimated at 6 weeks' production of cloth. This was because there was no demand for coarser types and shops were flooded with these stocks. In due course, this affected the movement of goods from the mills to the market. The basic reason was of course the fact that the consumer was entirely uninterested in cloth, partly because he had made considerable purchases in 1948 during the decontrol period and partly because the purchasing power had become lower and the coarser variety had no attraction whatsoever to him. This was vividly shown in Bombay where many who got coupons never purchased the quota and many more did not apply for coupons at all. It was clear that quantitative restrictions and rationing had no justification, at any rate

as regards coarse and medium varieties of cloth. This dullness in the cloth trade naturally provoked the comment that since coarser types were abundant and cheap, the time had arrived to decontrol them safely. It was said by some millowners that decontrol of these varieties might incidentally help to raise the production and consumption of such variety. In the cloth trade it appeared that the merchant had been upset by the relatively insignificant role played by him under the new scheme. Since the reimposition of control, turn-over in the market had become the lowest in recent times and the stringent conditions in the money market had made matters worse. Many traders were reported to have switched over to the sale of imported cloth which had become somewhat cheaper than before and for which the market was widening.

Early in February 1949, the Ahmedabad Millowners' Association passed a resolution impressing upon government the imperative necessity of devising some effective steps immediately for lifting cloth stocks with the mills. The Association said that if government failed to take steps, member mills having more than 3 months' stock would put up notices to close the mills. Accordingly, it was reported that the Central Government was actively considering how to dispose of the 20,000 bales, worth approximately Rs. 1 crore, which had remained unsold from December 1948. The curious part of it was that transport could not be blamed since actually as much as 70,000 bales, the largest for many months, was reported to have been moved in January to different consuming centres from Ahmedabad by the commission agents appointed by the provinces. The authorities were expected to release the stocks which were frozen on the introduction of rationing to the provincial buyers at rates fixed by the Textile Commissioner. The cloth merchants were expecting relief in this manner while the mills were hoping that, if supplies of African cotton became available, they could manufacture fine and superfine varieties for which demand was steady.

Distribution of Sarees and Dhoties

In a circular addressed towards the middle of February 1949 to the mills in the surplus area, the Textile Commissioner referred to the production control, and stated that he expected the production of mills to be more or less uniform in quality and readily acceptable to all Provinces and States. In view of this, he proposed to introduce the following procedure for distributing, in the first instance, the production of dhoties and sarees by mills in surplus areas, so as to ensure more expeditious disposal of stocks.

The production of dhoties and sarees by each mill would be estimated and analysed by widths, lengths, and in the four categories, superfine, fine, medium and coarse. The Textile Commissioner would issue to Provinces and States running allocation lists specifying the percentage of the monthly production of each group of widths in each category, which the mills should sell to a Province or State. When production was ready, mills would offer it in suitable small lots to predetermined Provincial/State buyers. In making such offers, the mills would have to ensure that the width, length and finish of dhoties and sarees offered to any area were current in that area and also that the sales in any variety to each Province represented, qualitatively, the

average cross-section of the Mills' production in that variety. The Provincial buyers would pay for and take delivery of the cloth purchased by them within the prescribed time. In addition to the usual buyers, the Provinces would be asked to appoint "reserve buyers" who would step in if and when the regular buyers failed. If the Provincial buyers were unable to discharge their responsibilities for reasons considered by the Textile Commissioner as valid, mills would be required to give them suitable facilities for storage, etc. on payment of godown rent, insurance and other incidental charges.

Criticism

The proposed scheme of distribution was not well received and the Committee of the Bombay Millowners' Association pointed out that, if the allocations to Provinces were to be made by the Textile Commissioner after an examination of all the relevant data, they did not see the necessity for asking mills to ensure that dhoties and sarees offered to any area were current in that area. If the allocations were made by the Textile Commissioner after an exhaustive examination of all the relevant facts, the responsibility for correctness of the allocations must rest with the Textile Commissioner and not with the mills. The Committee further emphasized that there was absolutely no godown space, and arrangements should, therefore, be made for goods to move out as rapidly as they were manufactured. The new scheme actually made matters more difficult in this regard, by asking mills to store goods for unspecified periods on receiving godown rents, etc. It was not the rent that mills asked for, but it was the godown space. The Committee, therefore, suggested that if the goods were not paid for and removed within the time limit, then mills should be at liberty to sell the goods to any buyers within the ceiling rates, provided particulars of the same were fully reported to the Textile Commissioner when it would be his duty to arrange in consultation with the Provinces, for the movement of these goods on a rational basis.

This scheme was later discussed at the meeting of the Textile Advisory Committee, and representatives of Provinces and States, held in New Delhi on the 12th and 13th April 1949 and it was decided that in view of the various difficulties involved in the scheme, it should be postponed.

All-India Yarn Distribution Scheme—Disposal of unsold stocks of yarn packed in December 1948 or earlier

Towards the latter part of February 1949, the Textile Commissioner issued a circular to all textile mills in India prescribing a procedure for assisting mills to dispose of their accumulation of yarn packed by them in December 1948 or earlier months but delivery of which had not been taken by the allottees of the Textile Commissioner. Under this arrangement, the mills were permitted to sell such stocks of yarn to buyers of their own choice subject to the following conditions:

(1) No yarn should be released by the mills till a specific release order had been issued in favour of the buyer of the Textile Commissioner.

(2) Such buyers should not exceed two for each Province or State and should normally be parties already holding yarn dealer licences issued by the Provincial or State Governments, wherever a system of licensing existed.

(3) Where, however, the mills were not in a position to find such licensed buyers, they were permitted to nominate others from among the established firms in the yarn trade, whose names and addresses were required to be communicated to the Provincial and State Governments concerned as well as the Textile Commissioner with a request to the former to issue licences to them. The buyers or consignees to whom the mills would be permitted to sell yarn were further required to report the arrival of the stocks to the Provincial or State textile authorities so that the latter might exercise such supervision over the disposal of yarn as they might consider necessary.

(4) In all matters relating to prices and distribution, the yarn sold by mills under this arrangement was, however, subjected to the same control as yarn taken up by nominees of Provincial or State Governments.

In those areas where statutory rationing of yarn was in force, this procedure was not applicable except with the prior consent of the Provincial or State Governments concerned.

Industry's Views

Though the object underlying the above scheme was to help mills to dispose of their unsold stocks of yarn of December 1948 or earlier packing, the condition requiring mills to obtain necessary licences for buyers of their choice was calculated to negative the effects of these concessions, because after having patiently waited for the original nominee of the Provincial or State Governments to pay for and take delivery of the goods, the mill concerned would have to find out another nominee from the established traders of the purchasing Province or State and then persuade the Provincial or the State Government concerned to grant a licence to that nominee. The elaborate process entailed in this system would not help the mills in that it would involve them in endless correspondence with traders and Provincial and State Governments with no material consequences. The Association, therefore, represented to the Textile Commissioner, towards the beginning of March 1949, that if the original nominee of the Provincial Government or State failed to pay for and take delivery of the goods, say within 14 days from the date of the release order, then the mill concerned should be at liberty to sell the yarn concerned to any trader so long as the sale price did not exceed the ceiling price and so long as the sale was reported with all relevant particulars to the Textile Commissioner. It should then be the duty of the Textile Commissioner, in consultation with the provinces, to freeze the yarn in the hands of the buyers and regulate its movement according to actual requirements. It was pointed out that this suggestion would not only help the mills to move their stocks, but would still vest control on the yarn sold in the hands of the Textile Commissioner.

In reply to this representation, towards the latter part of April 1949, the Textile Commissioner expressed the view that the Association's proposals amounted to a virtual decontrol of distribution in respect of pre-January 1949 packed yarn which in the Textile Commissioner's opinion was unwarranted in view of the unsatisfactory position with regard to the available supplies of yarn in relation to demand. The modified procedure was stated to constitute by itself a considerable relaxation of the control measures and had been devised solely with a view to accord relief to those mills which had substantial accumulation of yarn. So far as the difficulties apprehended by the Committee in regard to sales to established yarn dealers were concerned, the Textile Commissioner pointed out that the revised procedure had already been made known to all zonal authorities and that it was unlikely that any major delay would take place in according relief to mills in deserving cases. Where, however, the revised procedure entailed any real hardship to any mills, the Textile Commissioner assured necessary assistance to mills if full facts were placed before him.

Rationing Quota modified

In view of the large stocks of cloth remaining undisposed of with the merchants, the Bombay Government slowly modified the rationing scheme. At first, they allowed consumers all over the Province to buy their annual quota of cloth straightaway instead of in two six-monthly instalments. The concession was granted for a period of two months in the first instance, but actually was continued longer. The relative weightage between fine cloth and coarse and medium cloth was also altered. Thus, if ten yards of fine and superfine cloth were purchased, and if coarse and medium cloth was not purchased to the same extent, the balance of quota of coarse and medium cloth would lapse. Consumers were, however, given the option to buy their entire quota of fine and coarse medium at one stage. In this way, they hoped to dispose of both coarse and fine varieties as much as possible. In June 1949, such was the situation that the Government had to remove all quantitative restrictions on the sale of coarse and medium varieties in the province. The derationing of cloth on its distribution side existed side by side with falling production. The magnitude of the stalemate in the cloth trade can be gauged by the fact that, despite the sanction of an additional quota of ten yards per head and the extension of time-limit for the sale of frozen cloth, and that too with no price restrictions, there was no appreciable increase in the turnover. The millowners suggested that the stage was set for the decontrol of medium and coarse cloth. They were prepared to admit that the production of fine and superfine cloth was only from 12 to 15 per cent of the total output and as such, price control should be retained. It was pointed out that the stringency of money had affected the traders more than the consumers and all businessmen should be allowed to sell the derationed variety since it would be difficult for the small number of approved dealers to find the necessary financial outlay and relieve the congestion of stocks in mills. In other words, this was a demand for widening the circle of distributing cloth. In view of what happened later in September 1949, the authorities could perhaps have listened to this advice even then.

Textile Advisory Committee meets

The Textile Advisory Committee met in New Delhi early in April 1949 to consider the problem of disposing of the accumulated cloth stocks in the mills. It was stated that such accumulation was not more than one month's production in respect of cloth with the mills, and not more than two months' production in respect of yarn. The committee felt that the practice of alloting cloth at the end of the month should be improved upon by making advance allocation to the extent of 50 per cent of the anticipated production. The discussions centred mainly on the raw cotton supply position next season and the outlook was felt to be very gloomy. The Committee, however, reviewed the entire working of textile control. It was of the view that there was no objection to the uneconomic mills being given some assistance through an allowance of a portion of the 20 per cent margin between ex-mill and retail prices. On the question of accumulations, the official Press Note of April 1949, stated :

"Though there has been appreciable improvement during the last three months, it is desirable to adopt measures for speedier movement of cloth from the mills to the consumers. The Committee examined the question of lining up of mills to the provinces and States, and recommended that further steps in this direction would have to be postponed in view of the difficult raw cotton distribution this year." (The production of cotton was officially estimated at 2,300,000 bales as against 3,190,000 bales in 1947-48. The carry-over of cotton with the Indian mills at the end of the 1948-49 season was expected to be about 400,000 bales as against last year's carry-over of 1,900,000 bales.)

On the 13th of April 1949, a conference of textile interests was convened which was attended by members of the Textile Advisory Committee, and representatives of provincial and States governments. The conference agreed that, as recommended by the Advisory Committee, stocks of cloth and yarn not lifted by the provincial buyers within a month of allocation should be allowed to be disposed of by the mills through buyers of their own choice. If such buyers or wholesalers were not included in the approved list of the Province or State, the approval should be given. Distribution arrangements were not to be disturbed, though it was decided that the possibility of linking mills in surplus zones with the consuming areas should be further investigated. The conference considered that the margin of 20 per cent profit over ex-mill prices of cloth and 15 per cent for yarn might be continued, but provincial taxes, administrative charges, etc. should be included in those margins. Sales tax imposed by another province may, however, be paid outside the quota of 20 per cent.

Shadow of Crisis

All these discussions even at high level did not help to mend matters because the stock position was becoming unwieldy and the mills were closing down particularly in the non-Bombay zones. By the end of June 1949, nearly half a dozen mills in Ahmedabad stopped the spinning shifts. By July-end, some more mills had given notice of closing the second and third shifts owing to large stocks. The loss of production was to the extent of 1,50,000 yards of cloth per day and 10,000 lbs. of yarn daily. In an interview, the Hon'ble Mr. G. L. Nanda

stated that the Bombay government were considering the grant of assistance to millls unable to continue working. According to him, the Government of India might introduce legislation in the interests of workers to acquire powers to take over closed mills. The mills in Saurashtra numbering eight had stock of about 3 months' production and were also intending to close down. The prevalent disease had affected South India where it was reported that stock of nearly 50,000 bales of yarn in Coimbatore, Madura and elsewhere and 40,000 bales of cloth with the Coimbatore mills had accumulated. The Southern India Millowners' Association had requested the Central and Provincial Governments to allow mills to sell goods through their own nominees. The Madras Government supported the suggestion. Everywhere the cry was only this. The big Sholapur Spinning and Weaving Mills gave notice towards the end of August regarding closure. It was stated that 30 mills in Ahmedabad might remain closed at the end of September 1949. The situation was really getting worse very rapidly and nothing could be more disconcerting to the Central Government than the sight of so many mills being closed and thousands of workers being thrown out of work.

The Bombay Government set up a special committee in August 1949 for unemployment through the Labour Advisory Board. The position in the province was reviewed. It was disclosed that 10 textile mills in the province had completely closed down in the last four months resulting in the unemployment of about 20,000 workers, while 14 others had reduced shifts affecting about 6,000 workers. Besides, it was also revealed that two more mills were threatening to close completely, while 10 others might reduce their shifts by 1st October 1949, these involving another 7,000 workers. As regards the Sholapur Mill, the committee advised the government to try to have an agreed board of directors who would work in co-ordination with the Government Controller and technical experts before any compulsory measures were undertaken against the mill. It is interesting to note the following explanation of the situation by a spokesman of the textile control.

An Official Explanation

According to him, accumulation of stocks in Ahmedabad mills was a regular feature for the monsoon time of the year. On July 8, only 6 weeks' production of unsold stocks were reported to be on hand with the mills, according to figures furnished to the Textile Commissioner. Another curious feature of the so-called accumulation was that it had been brought about by the Ahmedabad mills themselves, the spokesman said. The prices are fixed by the Textile Commissioner according to the varieties of cloth. The prices fixed for the period, January-February-March, were lower than those for April-May-June. The prices were again lower for the July-August-September period. When the prices went down, certain millowners regularly packed less.

Thus, during December 1948 and May and June 1949 Ahmedabad alone packed substantially larger quantities than they did in March and April. By the end of June, there were naturally large accumulations. He pointed out that the Textile Commissioner had allowed sales by mills to buyers of their own choice in respect of the April production. Instructions to sell goods produced in May would similarly be given,

he said. With the export drive launched by the government the cloth stocks would be distributed, especially as the question of widening the sphere of distribution was under consideration, stated this official.

We thus see that some amount of complacency was noticeable in official circles. It was only the mounting pressure of the problem that induced the Hon'ble Dr. Syama Prasad Mookerjee, Minister for Industry and Supply, to go to Bombay in September 1949 and convene a conference of all parties to take a final decision in order to avert what was becoming a serious crisis of production too.

The New Distribution Plan

So Bombay became the venue of another of those conferences of millowners, Central and Provincial Governments, representatives of piecegoods merchants and representatives of labour. The Hon. Dr. S. P. Mookerjee, the Minister for Industry and Supply had preliminary discussions with the Textile Commissioner at Bombay to consider the overall cloth situation and to explore ways for the rationalization of production and proper utilisation of the existing and prospective supply of cotton in consultation with the textile interests.

A Press Note issued by the Textile Commissioner on September 8, 1949, said :—"The suggestion of the Bombay Government, that export permits need not be produced in respect of movements of cloth and yarn sold by mills in the province of Bombay to buyers of their own choice in case the latter want to move the goods out of the province, has been accepted by the Textile Commissioner. Hereafter there will be no need for wholesalers in the Bombay Province, who purchase cloth and yarn from the mills out of the free sale goods, to obtain export certificates from the Provincial Textile Controller, Bombay, or his nominees, before applying for transport of the goods out of the Province to the office of the Textile Commissioner at Bombay or at Ahmedabad, as the case may be". In this connection, we may point out that in the last week of August 1949, the representatives of the Maskati Market Cloth Merchants of Ahmedabad had been summoned to Bombay by the Provincial Civil Supplies Minister, Mr. Dinkar Rao Desai, to discuss a scheme by which the surplus stocks of cloth lying with the government may be bought over by the merchants. The Bombay Government were reported to have offered for sale 70,000 bales of fine and superfine cloth at 7½ per cent over the ex-mill price, and coarse cloth at the ex-mill price, provided they were supplied to the retailers at a margin of profit not exceeding 20 and 12½ per cent respectively. Further, in an effort to reduce the glut of cloth, the Bombay Government issued a number of wholesale dealers' licences for which applications had been called for. Similarly, in regard to yarn, licensed yarn dealers were given a concession. They were required to credit to government 6¼ per cent over the ex-mill price of yarn before effecting purchases direct from the mills. In order to facilitate such purchases on a large scale, this margin was reduced from 6¼ per cent to 3 per cent over the ex-mill price. The concession was admissible only to licensed dealers making wholesale purchases of 50 packages or above at a time, and not to consumers. From Ahmedabad, it was reported that these concessions had some effect in that nearly 1,000 cloth merchants had applied for trade licences and the District Magistrate had issued permits in the case of 335 mer-

chants upto August 28, 1949, including 165 special wholesale distributors, 19 semi-wholesalers and 80 special retail distributors. A large rush for applications was reported. The Collector was scrutinising many more applications and activity in the market was stated to be much better.

As a result of these and other measures for widening the trade channels for distribution of cloth, some improvement in the stock position of mills was reported. Still, it was clear that more effective steps were needed. Many suggestions were made at the conference to prevent accumulation of stocks. The industry was represented by Sir Vithal Chandavarkar, Chairman of the Bombay Millowners' Association, Mr. Ramanlal Lallubhai, Chairman of the Ahmedabad Millowners' Association, Mr. Kasturbhai Lalbhai, Mr. G. D. Birla, Mr. Krishnaraj Thackersey, Mr. C. H. Bhabha, Mr. Neville Wadia, and representatives of Southern India Millowners' Association, C.P. and Berar Millowners. The cloth trade was represented by Mr. G. G. Morarji, Mr. P. M. Kapadia, and Mr. B. Sutaria who were deputed by the piecegoods associations of Bombay and Ahmedabad. Mr. Khandubhai Desai, Mr Asoka Mehta and Miss Maniben Kara represented labour. The trade representatives pointed out that unsaleable varieties were large (150,000 bales) and therefore they should be disposed of on prices lower than ex-mill. It was also suggested by them that the problem of accumulation could be met by removing the present system of stamping "grades," such as "superfine, fine, medium and coarse" and the names of mills, which only resulted in a scramble for certain varieties irrespective of their intrinsic worth. Other remedies proposed by them were the removal of production control on cloth, the abolition of ex-mill prices (although a retail price might be fixed) and representation for the trade on the Textile Advisory Board. The millowners drew pointed attention to the failure of provincial governments to lift their respective quotas. The officials suggested a scheme by which traders would be given a third of the total production of cloth for distribution, if they undertook to dispose the stocks lying with the mills. So far as the remaining two-thirds of the output was concerned, the existing method of distribution was to be continued. There was of course the usual demand that complete decontrol was necessary to tide over the difficulties facing the industry.

The Hon'ble Dr. Mookerjee, the Minister for Industry and Supply, announced the steps decided by Government to solve the current problem, in a press conference on September 10th, 1949 (*vide* text on page xxii in "Cotton Industry at a Glance").

No Price Change before November 1949

With regard to the demand for lower prices, he stated that the present price structure would not be reviewed before 1st November 1949, and that the excise duty on cloth would continue to remain till the end of this financial year. But under the new scheme, provinces will not charge any levy out of the margin over ex-mill price except on any stocks which may be purchased on purely government account and not purchased by traders. The Minister gave figures which indicated that production of both cloth and yarn was showing a downward trend (average monthly production of cloth had fallen from 360 million

yards in 1948 to 330 million yards in 1949). In these circumstances, decontrol would be disastrous since the scarcity would be exploited by traders to boost prices. He, however, stated that if the industry and trade were prepared to take the responsibility jointly of producing *sufficient* quantity of cloth and distributing it at *reasonable* prices, he was willing to recommend decontrol. But then they were not prepared to do that. The reason is obvious.

Wider Channels of Trade

As regards distribution, the Minister outlined the following steps to liquidate stocks, though he admitted that some mills might not be able to resume production despite assistance to clear stocks, because they were uneconomic units.

Mills which have closed down will be allowed to sell their entire existing stocks through licensed trade channels. If they re-open within a month, they will be allowed to sell their entire new production through licensed trade channels also for a period of three months for the present. All mills will be allowed to sell their stocks accumulated upto the end of July through licensed trade channels. Similarly, they can sell their stocks accumulated upto the end of August after September 21.

Wholesalers and retailers, belonging to the trade, will be freely licensed and licences can only be refused on specific charges of undesirable conduct. Mills can open their own shops on such conditions as may be approved by the Textile Commissioner in consultation with the local Governments.

Production Control modified

In order to enable mills to produce varieties of cloth which they consider saleable and in demand by consumers, the Production Control Order should be withdrawn except in such respects as are essential for the fixation of prices and except as regards other details as may be agreed upon between the Textile Commissioner and representatives of the mills.

Mills should be free to sell one-third of their production in each variety other than production for export or production against Government of India orders through licensed trade channels without prior reference to the Textile Commissioner. Provincial and State Governments should not place any restriction on the marketing of this cloth and yarn, except that the same must not be sold at a price exceeding the controlled maximum retail price.

The balance of the production will be available for Provincial and State Governments for purchase and distribution through agencies controlled or nominated by them till the 15th of the month following that in which the cloth or yarn is produced. Within the limits of this availability, a Provincial or State Government may order its requirements through the Textile Commissioner, at least one month in advance of the month in which the cloth or yarn is to be produced. The manner and details of placing these orders and payment therefor will be settled later.

In the event of the total requirements of the Provincial and State Governments falling short of the quantity available for them or in the event of the agents of the Provincial and State Governments failing to purchase any of the cloth or yarn available for them within the stipulated time, the mills will be free to sell or dispose of such surplus or unpurchased stocks through licensed trade channels. A Central Advisory Committee and Regional Advisory Committees would be appointed to watch the working of the above scheme and to suggest modifications thereon if any. The Committees will represent industry, trade and labour.

Reasons for Large Stocks

The Hon'ble Dr. Mookerjee stated that the accumulation of stocks had been brought about by failure of Pakistan to purchase the allotted quota (only 15,000 bales had been purchased against the quota of 3 lakhs bales) and further the export trade had fallen. He explained that the provinces would have lifted the initial allotments, but they could not absorb the *ad hoc* allocations made as a result of Pakistan's failure to take its quota. The Central Government, therefore, decided *gradually* to allow normal trade channels to function along with provincial government organizations to clear off stocks. So far as the future was concerned, he stated that the government would grant licences freely to wholesalers and retailers, except where the parties were considered unreliable.

Favourable Effects of New Scheme

As a result of these steps, mills which had closed for reasons of excess stocks were expected to reopen shortly. Indeed, some mills which had given notice of closure of second and third shifts extended the period of the notice in the hope that, in the intervening period, stocks would be cleared. As Mr. Bhogilal Sutaria, President of the Maskati Market in Ahmedabad stated in an interview: "It is in the interests both of the trade and industry to work the scheme as best as they can: at any rate, the opportunity to do business on right lines should not be missed. If the mills were prepared to sell their goods at buyer's price—not rigidly sticking to the ceiling price—they would be in a position to clear most of their stocks. We hope that provincial governments would not interfere with the new arrangements". In labour circles the reaction was favourable, but they were against working a third shift on the ground that it had not led to any increased production of cloth. Pursuant to the new decisions the Textile Commissioner notified that mills holding large stocks of cloth and yarn unlifted by the provincial nominees were permitted to sell pre-July and July stocks of cloth and pre-August and August stocks of yarn to licensed wholesalers of their own choice. It was also decided that such stock of cloth and yarn can be sold by the mills to machine processors for printing, dyeing and bleaching, provided such processors have the Tex-mark numbers given by the Textile Commissioner. The processors should duly stamp the price on the processed cloth and yarn. They were also allowed to sell such processed material at prices not exceeding the ex-factory price fixed for such processed cloth and yarn to licensed wholesalers within or outside the same province or to retailers within the same province.

By September 15th, 1949, 2,500 licences had been actually granted to wholesalers and retailers in Ahmedabad, preference being given to those who had been in the trade before. In the first fortnight of September, the Sale and Purchase Union authorised by the Bombay Government was reported to have sold about 4,000 bales of medium, fine and superfine cloth to wholesalers, etc. Meanwhile, complaints against red tape from Ahmedabad mills have been made. According to a press report dated 21st September 1949, contrary to expectations, the mills had not been able to liquidate their stocks, as detailed instructions for implementing the revised policy in respect of cloth had not been received by them and an urgent communication had been sent by them for early instructions. Not only had the instructions not been issued, but the Textile Commissioner had sent a circular to the mills pointing out that "until detailed instructions are issued, it will not be in order for any mill to act according to the general policy indicated by the Industry Minister at the Press conference". The Textile Commissioner hoped, however, to issue shortly definite instructions to mills about the new cloth procedure!

We believe that it would be unwarranted to suppose that the cloth and yarn stocks will disappear overnight as a result of implementing the new scheme. Nor can the closure of mills be entirely avoided since the reasons for closure lie much deeper than mere accumulation of stocks. The difficulty about raw cotton should not be belittled, for one thing. We would prefer to place greater hope about the lifting of those stocks which would correspond to the revised production schedule. The old stocks will not perhaps be disposed of unless they are made sufficiently attractive in point of price. The question is whether the mills will show such imagination and realism to realise the need of that policy. Another direction from which relief can be expected is the export trade which might make a better showing after the devaluation of the Rupee, on 19th September 1949, particularly to Pakistan, provided that the insidious propaganda against importation of Indian textiles in that country is dropped. The immediate future is thus clouded in uncertainty.

CHAPTER V

EXPORTS

During the year under review the Government of India had to make the maximum use of the export trade in order to balance its external budget. It is well known that, due to partition and its economic consequences in the shape of loss of raw jute and better staple cotton, the pattern of India's foreign trade underwent a complete change, not to say dislocation. In view of the large imports of foodgrains, and the general unfavourable balance of trade, the earning of foreign exchange through exports was a vital matter. It was necessary to increase export as much as possible, and particularly so to the dollar areas. India's total exports in 1946, 1947 and 1948 were of the value of Rs. 249 crores, Rs. 378 crores, and Rs. 420 crores respectively. Of course much of these increases was due to the higher prices, but then it must be remembered that the 1948

figures refer to the Indian Union alone. In spite of this, this country could not have too much of exports. As for 1949, the balance of trade in the first six months of the calendar year was reported to be adverse to the tune of several crores. As cotton piecegoods are one of the important items earning foreign exchange, considerable attention was given to the keeping up of the export trade in the item, especially as it was becoming clear that Indian cloth was being slowly ousted from foreign markets, owing to lack of competitive power. In what follows we shall be concerned only with the export of piecegoods. While in 1947, the total export of cloth was of the order of 279 million yards, the total export in 1948 was 334 million yards inclusive of 102 million yards of handloom cloth specially exported and of 84 million yards sent to Pakistan. The real export of cloth to foreign countries in 1948 was only 148 million yards which represents a great decline from the previous years' figures. The position in 1949-50 was slightly better.*

Cloth Export Duty

A few words about the export duty will not be out of place here. In November 1947, in view of the great disparity between the controlled prices of cloth in India and the export prices of the same, Government of India introduced an export duty of 4 as. per sq. yard as a means of revenue. This export duty was replaced in March 1948 by an *ad valorem* duty of 25 per cent, from which handloom cloth was exempted, while the duty on export of cotton yarn which was levied at 6 as. per lb. was withdrawn. At the time Government promised to allow exports of 320 million yards without any restriction on prices. During the period January-April 1948 when control on cloth was removed in India, prices rose abnormally and in consequence the margin of profit available to exporters was very much reduced. They therefore represented to the government that the duty of 25 per cent on exports disabled Indian textiles from competing effectively in the foreign markets. There was no response from government and cloth exports naturally suffered. There was a spurt in the export of handloom cloth—mainly to Pakistan. It was obvious that the export trade was seriously affected by the duty and by the fact that the sellers' market in textiles had ended and both Japan and Britain were developing their exports rapidly. The government, however, failed to realise this, until rather late in the day. They reduced the export duty on cloth to 10 per cent only in November 1948, when really conditions required that the exports should be allowed free of any duty. In spite of the 15 per cent cut in the duty, exports were not making much headway and the government were in touch with merchants asking for details as to the relative prices of the Indian textiles and of those of competing countries. Shippers felt that during the eight months when the reduction in the duty failed to materialise, much damage had been done and India had been displaced by foreign competitors, in the Middle East, Australia, etc. It was stated that, even with the 10 per cent duty, the prices were higher than world prices; as such the export of cloth was meagre and confined to a few cheap varieties. Even in regard to Pakistan, exporters felt that that country might not purchase all the cloth which India had agreed to send since she was making arrangements to import cheaper cloth from other countries.

* The total export of cloth from India in 1947-48 and 1948-49 was 192 and 340 million yards respectively, and in the first five months of 1949-50, 148 million yards.

Liberal Export Quotas

In March 1949, government decided to liberalise their export policy and they gave additional quotas to established shippers who could complete the export of their total quotas for any destination. Further, those established shippers who wanted quotas for destinations where they had no quotas and where there were signs that the existing quotas were not fully utilised were given opportunity to enter new markets. An official communique stated that the usual quota for export to various destinations (including Pakistan) was round about 300 million yards per annum. During 1948, the total exports amounted to a little over half this quantity. As a rule, cotton piecegoods quotas are not allowed to lapse to enable the shippers to export their quotas even after the expiry of the quota period; the total backlog is now very large. The growing intensity of competition from other countries including Japan, which has now again started exporting textiles in a big way, makes it necessary, that Indian exporters should show a much greater degree of enterprise and initiative if our markets are not to be irretrievably lost, stated the "communique".

Government once again drew the attention of all exporters as well as manufacturers to the fact that a substantial quota has been earmarked for export to hard currency countries. The utilisation of this quota has been very poor. Government were aware that the hard currency markets were the more difficult ones. The grant of quotas for export of these areas was free from all restrictions as regards established shippers and new-comers, and anyone could get the quotas.

As a further measure of encouragement to such exporters as are able to do business with such countries, Government had decided that each exporter who ships cloth to hard currency destinations should be given a further quota of an equal amount for export to a soft currency country.

At this time, owing to the coming into force of the new excise duty of 25 per cent on all superfine cloth production and the duty of 3 pies per yard in the case of medium and coarse cloth effective from 1st March 1949, there was considerable uncertainty regarding the operation of the new central and provincial duties. Shippers complained that they were unable to enter into a new agreement with importers abroad and export business came to a standstill. Since exports from India were under Central control, exporters stated that the sales tax should not apply to shipments overseas. But provincial officials maintained that the sales tax applied to all exports, whether to other provinces or to other countries. Similarly, with regard to the excise duty, exporters felt that excise duties normally applied to commodities meant for internal consumption and should not apply to exports. It was generally felt that the provinces were encroaching upon the sphere of the Centre. These facts are mentioned to illustrate the difficulties in the way of export.

Export Margins

On March 26, 1949, the Ministry of Commerce stated as follows:

"Manufacturers of cotton textiles can charge export quota-holders and export wholesale dealers not more than eight per cent above the ex-mill price and, in the case of overseas clients, not more than 10 per

cent above the ex-mill price if they are themselves exporting cloth under the revised Cotton and Yarn Export Control Order.

The Cloth and Yarn (Export Control) Order, 1945, under which price control on the export of cloth to certain countries was exercised, has been revised and re-issued as the Cotton Textiles (Export Control) Order, 1949, and the necessary notifications have been issued in the *Gazette of India*.

Price control is applicable at present only in respect of cotton textile exports to Australia, Kenya, Uganda, Tanganyika and the Sudan. Export wholesale dealers may charge export quota-holders not more than three per cent over the price paid by them to the manufacturers. Exporters are permitted to charge not more than 20 per cent above the ex-mill price, inclusive of the margin paid to the manufacturer and also of that paid to the wholesaler, if the cloth has been purchased through the latter."

Quotas not Utilised—Mr. M. P. Gandhi's Letter to Press in April 1949

The broad fact was that the export quotas were not utilised as a result of the keen competition felt in the foreign countries from Japan and other producers who were able to supply goods at cheaper rates.

In a special article, Mr. M. P. Gandhi, the editor of this *Annual*, pointed out in April 1949, that upto the end of March 1949, the following percentages of the allotted cloth quotas to the countries mentioned below had not been utilised by exporters:—Iran 47 per cent, Sudan 55 per cent, Syria 44 per cent, Eritrea 51 per cent, Australia 45 per cent, British West Africa 66 per cent, British East Africa 79 per cent, Belgian Congo 21 per cent, Siam 9 per cent. The gravity of the position will be clear from the fact that the export quotas were not utilised even upto 50 per cent. Competition was keen not only in the hard currency sectors but also in the soft currency areas. Trade agencies abroad and Trade Commissioners showed by means of figures how Indian textiles were undercut by our competitors. Mr. Gandhi also pointed out that the export duty of 10 per cent ought to have been removed by the Finance Minister in the budget for 1949-50 but this was not done. Moreover, an additional handicap was that the cost of production of coarse quality cloth had gone up by about 5 per cent. All told, the export trade was in serious jeopardy. The fact that the quality of production for export was poor had also something to do with the loss of markets and the Minister for Industry declared in Poona on 24th April 1949, that Government of India might enforce minimum manufacturing standards in selected industries by means of legislation so as to improve the quality of Indian manufactured goods.

Reduction in Export deplored by Chief Controller of Exports

Early in May 1949, the Chief Controller of Exports reviewed the work of his organization and underlined the necessity for stimulating rather than controlling exports. He feared that unless this was done immediately, our markets may turn to other sources of supply. A certain amount of directioning of trade to hard currency areas would no doubt be necessary, he said, but that would have to be within the

framework of the basic policy of maximising exports through steps like greater liaison between exporters at home and Trade Commissioners abroad, qualitative control, etc. With regard to certain piecegoods especially, the Controller stated that the steady downward trend was causing great concern. As against the target of 750 million yds. for export in 1948, only 309.3 million yds. were actually exported. Countrywise, British East Africa, the largest buyer of Indian cloth, took only 29 million yards against the quota of 40 million yards allotted, while Australia with a similar quota took only 20 million yards. Apart from Japan, the U.K. emerged as a serious competitor to India in certain markets. The U.K. once more assumed its dominant position in the Australian market which had been a close preserve for India since the war, and the U.K. also developed a big cotton yarn export trade with Pakistan where there was a brisk demand for yarn of count between 10s and 40s for the handloom industry. In the latter half of 1948, Lancashire shipped much more than half of the 8 million lbs. of cotton yarn exported during the whole year. While this was the case, Indian export control in 1948 was hampered owing to the standstill agreement with Pakistan. The U.K. expanded the total exports of cotton piecegoods by 48 per cent in 1948, but the increase was partly attributable to larger imports of Japanese grey cloth re-exported after being processed. Most of the increased shipments went to the Colonies and dominions where American trade was affected by the dollar shortage.

Bilateral Commercial Agreements

Such was the record of our export trade. Yet this country had signed commercial agreements with ten countries of Europe and Asia, most of whom were soft currency countries. India entered into a bilateral trade agreement with Siam by which India would get rice, tin and timber while exporting jute and cotton textiles to Siam. Similarly, India was expected to export cotton piecegoods to Iran and Iraq, the latter being allocated 5 million yards of cotton textiles for the first half of 1949.

Export Advisory Council, June 1949

At the meeting of the Export Advisory Council in June 1949, the Hon'ble Mr. K. C. Neogy, Minister for Commerce dwelt on the need to export more and more and he announced the belated decision to remove the export duty on cloth (with effect from 1st June 1949) so that exports may be facilitated. He particularly condemned in very strong terms the serious malpractices that had crept into the export trade and instanced the case of Iran in which India lost her textile market only on account of the rapacity and dishonesty of the Indian exporters. This merits serious attention. The Council also considered the establishment of free foreign trade zones at important ports on the same lines as in the United States, to step up exports.

Drive for Export in June 1949

In the first week of June 1949, discussions were held between representatives of the Central Government and exporters on questions like the prices of exportable cotton piecegoods and the ways and means of developing markets. While the removal of the export duty was expected to give a stimulus to exports, the Government were anxious that India's position abroad should not be weakened by higher prices being

charged by exporters and shippers. The question of enforcing a check on the quality of exported textiles was also considered. The Government also promised to simplify the procedure for exports. One of the important factors in the situation was the necessity for exporters to be satisfied with a smaller margin of profits. One may cite the example of the U.K. where Sir Stafford Cripps had advised British exporters to reduce their profit margin. As far as exports to Australia, Kenya, Uganda, Tanganyika and the Sudan are concerned, cloth manufacturers can charge holders of export quotas and export wholesale dealers not more than 8 per cent above the ex-mill prices, while they cannot charge more than 10 per cent above the ex-mill price if they themselves export the cloth. Export wholesale dealers can take from quota holders not more than 3 per cent over the price paid by them and exporters are permitted to charge not more than 20 per cent above the ex-mill price, inclusive of the earlier margins. It is true that these margins have not always been realised, but they are susceptible of reduction in the interests of the country.

Export Promotion Committee, 1949 *

The Ministry of Commerce considered it desirable therefore to set up an Export Promotion Committee with headquarters in Bombay under the chairmanship of Mr. A. D. Gorwalla. (He was also chairman of the Commodities Price Board set up in 1947.) This Committee was asked to formulate proposals to step up the export trade of India and wipe out the trade deficits, and to report by 15th September 1949. At the time of its inception, it was generally believed that the Gorwalla Committee would approach the problem on the lines of the British Board of Trade and that a scheme for setting up an Export Credit Guarantee Corporation would engage its attention. Another suggestion which came from government and on which the trade was consulted was the formation of zonal export promotion groups, with shippers engaged in a particular trade pooling their resources. Each group will have officials in important markets to look after the interests of members and to inform them of the market conditions. One suggestion was that the funds built up from the export duty on goods shipped through regional ports would give the necessary finance for the disposal of the group. The idea of having free trade zones in ports like Bombay opened up prospects of re-export trade. For instance, such a facility in Bombay can ensure the expansion of exports of cotton textiles manufactured from duty-free imported cotton. The only difficulty in this is that such goods should not move into the country from the free trade zones. In the U.S., such precautions are easy since such zones are self-administered and have their own police administration. To conclude this discussion, it need only be added that Indian exports are handicapped by higher prices as compared with the U.K. or Japan, even after the removal of the export duty completely. To our mind, the high wages paid by the manufacturers, and the high cost of raw materials make it easy for other countries to undercut our exporters. We are therefore thrown back on the conclusion that we should increase productive efficiency and lower our costs somehow.

* India devaluated her currency on 19th September 1949, in terms of the Dollar by 30½ per cent. The Gorwalla Committee's Report was submitted on 15th September. The Report is now under examination by the Government.

Cotton Exports

Raw cotton is another commodity, the export of which declined due to the exercise of more rigid control on account of partition. The total quantity exported in January-June 1949 was 33,000 tons, as against 69,000 tons for the corresponding period of last year. Policy in regard to raw cotton exports being slightly more liberal in respect of hard currency countries, exports of cotton raw and waste to such countries showed a slight increase in quantity, although their value was lower. The overall decline is likely to continue.

Indo-Pakistan Textile Trade

An Indo-Pakistan agreement on the exchange of essential commodities was reached at Karachi on June 24th 1949 and its terms were as follows :—

Pakistan agreed to export to India 450,000 bales of raw cotton, as against which India undertook to supply 150,000 bales of mill cloth and 100,000 bales of cotton yarn. The quotas of cotton and jute allotted to India were less than those of the previous year's agreement, but it was stated that the terms were arrived at so as to help both the dominions to reach a balance of trade for each other. As far as raw cotton is concerned, India was to have purchased a minimum of 2.25 lakhs bales by February 28th, 1950, and the balance by 31st August 1950. Under last year's agreement India had still to lift just over 2 lakhs bales of cotton before its expiry on August 31st, 1948 ; any quantity left over after that date was to lapse automatically. The two governments mutually consented to render all reasonable assistance to facilitate the export and import of the goods mentioned in the schedule. They also agreed to grant the necessary export and import licences at least upto the quantitative limits specified in the agreement. Neither party was to re-export any commodity obtained from the other in the form in which it was imported. India also agreed to export 1.5 lakhs yards of canvas.

On 1st of July 1949, when the details of the agreement were announced, it was said to be a distinctive improvement on similar past agreements and was expected to conduce to happier trade relations between the two countries. India did not accept the proposal for lapsing of allotted cotton not lifted during the period covered by the agreement. In regard to raw cotton it is stated that although the new agreement provides for a supply to India of 4.5 lakhs bales as against 6.5 lakhs bales in the previous agreement, India had not been able to lift even one lakh bales covered by the previous agreement. Two reasons were given for this : first, a fall in production in Pakistan ; and secondly, the faulty licensing system. Besides, Pakistan cotton prices were high. Although it was expected that purchases will be evened out during the active cotton season, no scarcity of cotton was expected to occur in India during the first quota period. Indian manufacturers were conscious of their dependence on Pakistan for particular variety.*

* Since 19th September 1949, Pakistan cotton has become dearer, due to India's devaluation of her currency, unlike Pakistan. And imports of Pakistan have stopped moving since then, till the situation is altered.

Pakistan Tariffs on Cotton Piecegoods, etc. (August 1949)

Gradually, and particularly in recent months, Indian exporters have been facing very keen competition in Pakistan. Indian piecegoods were subjected to a severe test owing to the high internal prices of India and due also to the preferential duty reductions by Pakistan in favour of the U.K. Indian exporters were anxious that this major export market must be maintained, but they also feel that only by a reduction in internal prices and in the profit margins of both the manufacturer and the exporter can the market be retained. Under the last year's agreement, Pakistan had imported cloth worth Rs. 16 crores, most of it being of a coarse variety and costing less than Re. 1-8-0 per yard. The import was free of duty. From August 1949, the Government of Pakistan are reported to be ready to impose duty on all Indian cloth, for revenue consideration. The deterioration in the Indo-Pakistan relations has caused that dominion to be more anxious to send its cotton abroad and to import its requirements also from abroad. In fact, this was reported to be one of the reasons why Pakistan decided not to devalue her currency, like India, in September 1949.

The rates of duty imposed by the Pakistan Government in respect of a few imports from India and other countries is given on p. xix. in "Cotton Industry at a Glance". It will make interesting reading.*

Its perusal will show that Indian goods have not been discriminated against, though a higher duty is levied in the case of finer cotton piecegoods than Britain. India has an advantage of 15 to 18 per cent over Japan for cloth below Re. 1-8-0 per yard, but the f.o.b. prices of Japan are said to be lower than Indian prices. Even if Indian goods were saleable at the same price as Japanese goods, it was noted that Japanese goods were preferred to Indian goods.

Boycott of Indian Textiles in Karachi in 1949

As if the normal economic difficulties of competing for the Pakistan market are not enough, there has been since September 1949 a most pernicious agitation among the cloth merchants of Karachi to boycott Indian textiles. The Karachi textile importers and Wholesale Cloth Merchants' Association organized a boycott day on which Indian textiles were burnt. The Pakistan Government has also been urged to suspend the implementation of the Inter-dominion agreement. The movement seems to be confined to Karachi mostly, and appears to be purely political in motive. The Government of India are reported to have enquired of the Government of Pakistan as to whether they intended to stand by the Agreement and the reply does not appear to have been in the negative. It is also encouraging to note that the Federation of Chambers of Commerce in Pakistan have not passed any resolution of boycotting Indian textiles. Nothing but enduring harm can result from this sort of malevolent propaganda. But these may be construed as an indication that the economies of these two dominions have no more that complementary character which was expected at the time of partition. Everything conspires to widen the gulf between the two countries.

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* Some alterations were made in these rates again in October, after India devaluated her currency on 19th September 1949, unlike Pakistan which made no change.

CHAPTER VI

IMPORTS

India imported 590.9 million yards of piecegoods in 1937-38 and 647.3 million yards in 1938-39 and the lowest imports were in 1945-46 when they stood at 3.1 million yards. Thereafter, imports rose until they reached the figure of 58 million yards for the five months April to August in the year 1949-50. Taking the recent import figures for the year 1947-48 and for the first five months of the current year, it is noticed that imports were only at a level of 10 per cent of the pre-war imports. It is necessary to emphasize these figures to counter the general impression that the country has been flooded by foreign imports of textiles. Even during 1948-49, the imports were only 47.4 million yards, as against which our exports were 340 million yards. The exports of Indian textile goods have always been in excess of imports and even during the O.G.L. rush period, it is said that imports constituted only 2 to 3 per cent of the domestic production while the normal quantum of imports is generally only one per cent of production. The policy of permitting imports has come in for some criticism, misguided in our opinion because the actual percentage of imports has been exaggerated. In view of the high prices in the country, a certain volume of imports from the international buyers' market of falling prices, was healthy as a corrective (keeping out of mind the Swadeshi sentiment which should rule out some imports on any ground). In February 1949, there was a time when retail cloth shops were avidly taking to the sale of foreign cloth. The difference between the prices of rationed cloth and foreign stuff was not so great as to prevent consumers from going in for the latter. While fine English shirtings were costing about Rs. 3 per yard, the Indian cloth of a similar quality was costing about Rs. 2-8-0 per yard and the margin was not so great, when we take into account the difficulty of obtaining that shirting quality from the Indian shops. The Government of India were fully justified in encouraging a small flow of imports into this country last year. Cotton textiles were, however, removed from the O.G.L. in the first week of July 1949, when the stocks in the country mounted up, threatening the closure of mills.

Cotton Yarn Imports

As for cotton yarn, it is explained that the production of cotton yarn which stood at 1,286 million lbs. in 1938 rose to the peak figure of 1,670 million lbs. in 1943, and is estimated in 1949 to be near 1,400 million lbs. (Union only). Imports of cotton twist and yarn into India which stood at 22 million lbs. in 1937-38 and rose to 36.5 million lbs. in 1938-39, dwindled to .2 million lbs. in 1946-47, but rose again to 8.7 million lbs. in 1947-48 (Union). On the basis of the import figures for April-July 1949, the estimate of imports for the year is 11 million lbs. As these imports are hardly sufficient to meet the requirements of the Indian handloom industry, the policy of importing yarn by the issue of licences will, it seems, continue, if the handloom industry needs these. At present (September 1949) the handlooms are unable to utilise the full quantity of Indian yarn available to it, due to decrease in offtake of cloth.

In July 1949, reports in the press revealed anxiety on the part of many at the heavy imports of cotton yarn and art silk yarn from soft currency countries under the O.G.L. As raw materials required for the handloom industry, these imports have a justification. The responsibility for imports would in any case rest with the traders themselves since the fact, that the restrictive condition regarding import licences has been removed, does not mean that traders are encouraged to import foreign cotton yarn in preference to Indian yarn. In any case, as already stated, the volume of imports of cotton yarn is still much below the pre-war volume. This was the reason why government thought it necessary to abolish completely the import duty on cotton yarn by a notification dated 23rd October 1948. This was calculated to help the handlooms.

As regards art silk yarn, the imports have been in excess of immediate industrial demand, but by no means as large as it is made out. It becomes very difficult for government to decide the policy since conflicting demands are made by textile interests. For example, firms interested in imports of yarn are against large imports, but the manufacturers of art silk piecegoods have represented that this item (yarn) should be kept in the O.G.L.

The annual imports of cotton twist yarn, and art silk yarn in the last two years were as below:

	Year	Million lbs.	Rs. crores
Cotton twist and yarn			
	1938-39	36.5	2.92
	1946-47	2.0	.9
	1947-48	8.8	3.09
	1948-49	11.1	4.5
Art Silk Yarn			
	1938-39	17.25	1.0
	1946-47	8.12	4.0
	1947-48	9.83	4.5
	1948-49	39.97	12.8

Export Drive of other Countries

Other countries are developing their exports rapidly. In the Economic Survey published by the British Government in 1949, a target of 1,000 million yards of cloth was mentioned for export from Britain. According to reports, the British export drive is meeting with resistance and doubts are expressed as to whether this target will be realised. Japan has emerged much stronger in this by repeating her familiar tactics for capturing the world textile market. Reports from U.S. suggest that Japanese businessmen are getting round the controls of SCAP by adopting ingenious devices. Floor prices fixed by SCAP have been treated as ceilings and a shrewd method of granting rebates has come to light. Similarly, Japanese shippers are reported to be packing more goods per bale than what is actually declared in the bills of lading. A reference to the figures of Japanese production will show that the recovery of the textile trade, which formed the main plank in the Allied recovery plan, has considerably exceeded expectations of SCAP and Lancashire. Between 1946 and 1948 the output of cotton piecegoods was

stepped up four-fold, while that of rayon piecegoods was raised by over 60 per cent. Similar achievements are recorded in the sphere of yarn production. On the export front, Japan has increased her outflow of cotton piecegoods from 42.6 million yards in the first quarter of 1947 to 198.7 million yards in the last quarter of 1948, while the figures of rayon piecegoods for the same period have been doubled. The warning to Indian exporters is very clear. Already, in the Middle East, Pakistan and Australia, British goods have displaced Indian textiles: and if to this is added the increasing pressure from Japanese exports in the Asian markets, our exports will be squeezed between these two prongs. The export and import position regarding raw cotton is discussed in the chapter on Raw Cotton.

Japan's Progress

The following table showing Japanese production of principal textile goods in 1948 compared with earlier years, will be very interesting.

JAPAN'S PROGRESS IN TEXTILE PRODUCTION

—	Average 1935–37	1946	1947	1948	1948 as % of 1935–37
Yarn:		(Million lb.)			%
Cotton	1,484.6	127.9	266.4	273.4	12
Spun silk	12.8	0 9	0.9	2.2	17
Wool:					
Worsted	97.5	7 0	6.1	4 4	5
Woollen yarn	48.0	21.2	20.1	19 9	42
Flax, Hemp, ramie, jute	83.1	14.7	17.9	24.9	30
Spun rayon	37 9	10 7	14.0	22 7	60
Other	3 8	0 7	1.0	1.5	40
Raw Silk	96 0	11.7	14.6	17 6	18
Rayon Filament yarn	279 8	9.0	16.3	35.7	13
Rayon staple fibre	75.0	20.5	19.2	35 3	47
Total ...	2,218.5	224.3	376.5	437.6	20
Tissues:		(Million Sq Yards.)			%
Cotton	4,144.7	241.7	662.3	923 6	22
Spun rayon	131.2	30.3	31.6	49 5	38
Silk	378.9	37.7	37.6	96 3	25
Rayon filament	894.8	42.2	46 2	40 4	5
Woollen and worsted	306.4	22 9	21.1	25 3	8
Hemp, ramie, flax, jute	*	20 9	20.3	22.9	*
Total ...	5,858.9	395.7	819 2	1,158 0	19

* Not available.

Production in 1948 compared with the pre-war 1935-37 average, showed a fall of 80 per cent (from 2,200,000 lb. to 400,000 lb.) in yarn output (including raw silk and chemical fibres), and of 81 per cent in tissue output (from 5,859 million square yards to 1,158 million square yards). In 1938, Japan was probably the sixth largest producer of wool yarn in the world, with a total output of 122 million lb., compared with 597 million lb. in the United States, 566 million lb. in the United Kingdom (1937), 390 million lb. in Germany, 260 million lb. in France and 156 million lb. in Italy. Although data for 1948 are incomplete, Japan's position was very much lower, as most other countries were producing at or above pre-war levels, whereas Japan's production was only one-fifth of the 1938 level.

CHAPTER VII

LABOUR

During the year, labour was on the whole more contented and played its part in production. There were fewer strikes or other disturbances and till the end of the first quarter of 1949, production figures in all industries were gratifying. Thereafter, it is true that bottlenecks to textile production became evident, but it was not due to recalcitrance of labour. Probably, that is something to be thankful for. But at the same time, it must be emphasized that efficiency had not shown any marked improvement although the wage bill of the textile industry was going up. The organizations representing the workers were harping on higher wages, profit-sharing, bonus, etc. without abatement. The Industrial Court awarded 4½ months' bonus to Bombay textile workers, which entailed an outlay of about Rs. 4.5 crores to the mills. It was significant that the managements of 35 mills were served with notices for fresh demand, including pay for festivals on holidays, close on the heels of the above award of bonus! It is said that the previous award by the Industrial Court in respect of basic wages and dearness allowance for workers (given with retrospective effect from 1st January 1949), together with the rise in the cost of living index in the year, resulted in a Bombay cotton millworker being paid on an average about Rs. 26 per month more in 1948 than in 1946. To the industry this represented a wage cost of more than Rs. 6.75 crores without taking into account the increase granted to clerks and technical staff.

Mounting Wage Bill

A discouraging feature is the almost invariable reference to compulsory arbitration in disputes, when in fact collective bargaining between employers and workers was envisaged in the recent statutes specially enacted for safeguarding the rights of labour. In short, the gulf between capital and labour has not narrowed at all, notwithstanding the fact that the industry has increased its wage bill long ago to a point at which no adequate position for replacement, etc. could be made. This in effect amounts to mortgaging the future. Industrialists all over the country could not help feeling helpless. Speaking in Bombay, the Governor-General of India, Mr. C. Rajagopalachari, deplored the deterioration in character and moral values generally, and appealed to industrialists not to be merely "careful and cautious" but to show "imagination and genius" in the changed times. He reminded the people that "moral values had gone down. That was the cause for the drop in production and not the failure of government policies. The production declined because people had become lazy and reckless of everything else except of immediate advantage to themselves."

Apart from persistent opposition to rationalization, the Trade Unions seemed to be concerned mainly with obtaining increases in wages which increase costs to the point at which Indian goods are being priced out of the export markets and also to some extent of the home market. Most of the labour demands have been met, and however just they may be, they are bound to retard the economy unless such wage increases are accompanied by increase in production. This is not the case and hence

organised labour had increased the burden on the unorganised consumer. Labour leaders have been insisting on a larger slice of the cake without realising the need for making the cake bigger.

The British Example

We may quote here the statement of Sir Stafford Cripps to the textile workers of Britain: "We do not get anywhere at all by merely trying to force up the incomes of this or that section of the population. It is the real incomes that we want—the goods and the services—and we can only have more of these if we produce more." This advice was given to the industry in connection with acceptance of the re-deployment proposals of the Cotton Manufacturing Commission. A recent report of the Commission gave the following striking figures of benefits accruing from the re-deployment of production in 10 Lancashire mills: the average increase in production per man-hour was 90 per cent and hence the earnings of the weavers rose by 43 per cent while costs of production fell by more than 20 per cent. The main reason for the improvement was the fact that the weavers increased the number of looms in their charges. In India, labour leaders have not done their duty in emphasizing the aspect sufficiently. Till now, the burden of the song has been the bloated profits of the capitalist. It is permissible to doubt whether under present conditions the charge of profiteering (and not profit-making) can be justifiable, especially with government enacting so much legislation for control of industry, fixation of fair wages for labour, etc. As a matter of fact, the employers have been feeling that the dice is loaded against them heavily. In the undoubtedly trying times that seem to lie ahead of this industry, it is clear that an unbalanced wage bill will militate against production.

4½ Months' Bonus to Cotton Mill Workers for 1948 awarded in 1949

Early in November 1948, one of the unions qualified under the Industrial Relations Act gave notice to about 19 mills demanding "an adequate and unconditional lump allowance, i.e. bonus for the year 1948, to make up the deficit in the living wage in the first instance, and in addition, an adequate share in the profits of the industry." The Bombay Government made this a general issue and referred it to the Industrial Court under Section 73 of the Act. The award of the Court was issued on the 23rd April 1949. Under the award, member-mills of the Association of Bombay Millowners were directed to pay to their workers a bonus equivalent to ⅜ths of their basic earnings in 1948 subject to the following conditions:—

(1) Employees who have worked for less than 63 working days and more than 20 working days shall be granted a bonus to the extent of 50 per cent and employees who have worked for 20 days or less shall not be paid any bonus.

(2) Any employee who has been dismissed for misconduct in 1948, shall not be entitled to any bonus even if he has worked for more than 20 days.

(3) Bonus shall be calculated on earnings (exclusive of dearness allowance and bonuses paid during the period) from the 1st January to the 31st December 1948.

(4) In the case of women who have been on maternity leave during the period referred to, the actual maternity allowance drawn by them shall be included in their earnings for the purpose of calculating the bonus payable.

(5) Bonus as above stated shall be paid to the employee in two instalments by the 31st May 1944 and the 30th June 1949 respectively.

(6) Persons who are eligible for bonus but who are not in the service of the mill on the date of the payment shall be paid in one lump sum by the 30th November 1949. In such cases, claims in writing should be submitted to the Manager of the mill concerned.

The following observations of the Industrial Tribunal will make interesting reading: "We think that in view of all the circumstances which we have considered, it will be a conservative estimate to take gross profits made in 1948 at double the figure of actual gross profits made in 1947—viz. at Rs. 20.36 crores. It 1947, the estimated gross profit were taken as Rs. 7.44 crores but actual gross profits turned out to be Rs. 10.8 crores, an increase of 45 per cent".

Inflationary Effects of Bonus

More than 2,20,000 textile workers stood to benefit by the award and its implementation was estimated to cost the industry over Rs. 4½ crores. Grave doubts were expressed in various quarters about the inflationary effects of such a large cash disbursement. It was pointed out that as an anti-inflationary measure the industry was under statutory obligation to limit dividends and the mills in the city cannot distribute more than 2.25 crores in the form of dividends. It was therefore said that, in the larger economic interests of the country, the government should also make some provision for limiting bonus payments. The latest award put bonus ahead of reserves since the textile mills require about Rs. 60 crores for replacement of machinery and if there were some ceilings on bonuses, it would be possible to set aside larger sums for reserves. One suggestion was that the inflationary effect of the bonus would be cushioned if a part of it were given in the form of National Savings Certificates, but the Industrial Court was prevented legally from making any provision for staggering the payment. The Court said:

"If the Court orders the payment of a part of the bonus in the form of savings certificates, that might entitle an employee to say that he had earned it under the terms of the bonus scheme. Then the question would arise, whether this Court would be making a legal order in directing the Payment of Wages Act applies, such mode of payment need not be permissible even by agreement, and in any case it would not be desirable that one section of the employees should be paid in one manner which is not applicable to other sections. We might have taken the risk of directing such a mode of payment as one of the conditions applying to the payment of bonus, but the effect of this would most probably be the filing of a suit in the High Court and thus considerably delaying the payment of at least a part of the bonus. Besides, if a manner of payment directed was not ultimately found to be legal, it would no doubt, result in considerable resentment on the part of workers. For these reasons, it seems to us desirable for the Legislature to look into this question and see whether it would be feasible, in suitable cases, for the Industrial Court to order such a mode of payment."

Thus a very important point was raised by the Court. The Government of India were therefore properly seized of the point. Meanwhile, before the approach of the first payment date for the bonus, viz. May 28th, efforts were made by the National Savings Department of the Government of India to launch a savings drive and organise propaganda at the various labour welfare centres in Bombay to persuade workers to invest the bonus in savings certificates.

Savings Drive—The Ordinance

On June 11th, it was announced that the Government of India had promulgated an Ordinance under which it would be lawful for any industrial Tribunal decreeing the award of the bonus to employees in any industrial disputes to prescribe that a portion of the bonus shall be payable in National Savings Certificates. The Ordinance provided also that the employees should receive at least one month's basic wages in cash and that the amount paid in savings certificates did not exceed half the total bonus. It also covered the award of bonus for 1948 payable to the textile workers of Bombay as decreed by the Industrial Court. Under the Ordinance, two-thirds of the instalment due to be paid on June 30th, which was one-third of the total bonus, should be paid in 12 years' Post Office National Savings Certificates. This was a bold measure; and probably in any other country its spirit would have been properly appreciated. True, the Central Government appeared not to have consulted the local government fully in the matter: true also, that a certain amount of preliminary sounding in labour circles might have been made. In any case, this well-intentioned move on the part of government met with strong disapproval from the trade unions who passed resolutions protesting against the Ordinance. In a resolution moved by Miss Maniben Kara at the meeting of trade unions, government were requested to annul the Ordinance. The resolution said that "the method of compulsory savings has a meaning only when the workers received a living wage. In India, the real wages are very low. The bonus is not so much an extra payment that can be saved, but only a deferred wage that brings the worker's wage to subsistence level." Considering that about 320 delegates from all over Bombay province attended the Conference, there was no mistaking the opposition to the Ordinance.

Workers' Opposition

It was generally felt that the notice given was too short and that as a beginning compulsory savings could have been applied to a smaller proportion of the total bonus. Some unions urged that the part of the bonus to be paid in the form of 12-year certificates may be reduced by half. None of these suggestions were acceptable to government. Instead they said that the amount to be paid out may be given in the form of 7-year and 5-year certificates. Besides, a lot of extra work for the Post Office was also involved. The authorities stuck to their decision and it was generally felt at the time that they could have shown a more compromising spirit.

On the due day, the textile workers refused to accept the bonus tickets distributed by the mills. The refusal of the workers was attributed to their being ignorant of the fact that government had amended the original Ordinance so that the certificates can be cashed at any time. It was felt that the workers were certain to cash them as soon as they receive them from the Post Office and therefore the whole process of issuing the certificates—quite a laborious and tedious process was a waste of time and energy. There was really no point in giving spot-cashable certificates. But prestige probably stood in the way of bowing to the storm. Actually, by having to modify the Ordinance within a week and that, too, by having to modify it in a way that all but

nullified it, the prestige of government had sunk very low. Nor were proper arrangements made at the Post Offices. For when the mill-owners went to deposit about Rs. 1.5 crores for the purpose of issuing savings certificates to workers for part of the bonus, the Post Office refused to accept the amount saying that the money had to be accompanied by application forms written out on behalf of *each* individual worker entitled to receive the certificates. Only later, the government modified the rule that filling of forms for each worker was not necessary. Labour leaders insisted that the certificates should be issued at mill premises and that the workers should not be put to the inconvenience of waiting at the Post Offices to take the Savings Certificates.

The aftermath was just as expected. Thousands of mill hands queued at Post Offices for encashment of the savings certificates issued to them as part of the bonus since the middle of August. For days and days together, the postal staff worked hard to pay out the amounts. What was worse, hundreds of workers were absenting themselves from the mills to cash the certificates and it was even said that forward positions in queues were commanding a premium of Rs. 5! Such was the *embarras de riches* showered on textile workers! No wonder the well meant plans of the government failed so completely. In September 1949, interested parties were terrifying workers by spreading false rumours that government will issue an Ordinance freezing all investments in the savings certificates. Even those workers who would have perhaps kept the certificates were therefore trying to cash them. Dr. Matthai, and Mr. B. G. Kher had to issue appeals to the workers of Bombay and Ahmedabad not to be misled by these spurious rumours and reiterated that government had no such intention and that the certificates were always cashable if wanted.

Fair Wages Committee Report

In June 1949, a Fair Wages Committee consisting of four representatives each of labour, employers and government, discussed the principles of fixing fair wages for industrial labour and machinery to implement them. The discussions ranged within a wide limit as regards the so-called living wage for labour. The representatives of labour demanded a wage that will enable a worker to have a standard of living comparable to that obtaining in progressive countries. The employers took the stand that under present economic conditions this was not possible. Finally, a compromise formula was found by which it was agreed that 'fair wage' should depend on (1) the productivity of labour, (2) prevailing rates of wages in the same or similar occupations in the same locality, (3) the level of the national income and its distribution, and (4) the place of the Industry in the national economy. It was felt that the wage fixing machinery should relate a fair wage to a fair load of work and that in cases of doubts scientific studies should be set in motion. As regards the prevailing rates of wages, the consensus of opinion was that the prevailing rates of wages, fixed as a result of collective bargaining for adjudication, bear a close approximation to fair wages. On the issue of the capacity of the industry to pay, whether a unit or a particular industry or the industry as a whole in the country should be taken into account, the labour representatives favoured the 3rd course, while employers urged the consideration of

a unit alone while dealing with the question of determining the fair wage in relation to the capacity of the industry. The employers' representatives were opposed to the introduction of the profit-sharing scheme at present on the ground that the application of the fair wages scheme would diminish profits appreciably. In their view, capital which was already very shy would be further scared away if profit-sharing were also introduced. A Fair Wages Bill to replace the Minimum Wages Act already passed will be placed before the legislature. It was pointed out in authoritative sources that the application of the fair wages scheme under the proposed bill would not bring about any substantial change in the wage rates in the textile, jute and steel industries, in which the present rates are very near the rates payable under the Fair Wages Scheme. Sir Biren Mukherjee was of the view that the execution of the profit-sharing scheme may be deferred for a couple of years. Mr. S. P. Jain objected to the scheme on the ground that a slump had already started and the application of the scheme would reduce profits to uneconomic levels. He added, however, that if capital is computed on the basis that provision is made for reserves at 5 per cent of the replacement value of plant, on the lines of his dissenting minute to the Profit-Sharing Report, then the scheme may be applied, but only to those industries which made surplus profits. Mr. Ashok Mehta said that employers had already accepted the principle of profit-sharing at the Industrial Truce Conference in December 1947 and described the attitude of the employers as undesirable. The report of the Fair Wages Committee was published on June 11, 1949.

Recommendations

Emphasizing that fair wages should be determined on an industry-cum-region basis, the Committee has recommended that in view of certain administrative and other difficulties, fair wages should be fixed for only categories above the supervisory level.

The level of wages in any particular industry, according to the Committee, should be so fixed as to enable the industry to maintain production with efficiency and it is further stipulated that the fair wages should not be so fixed as to be out of line with wages in other industries and thus cause movement of labour and consequent industrial unrest.

Discussing wage adjustments, the Committee says that basic wages should be fixed in respect of cost of living index numbers 160 to 175 treating the cost of living index number of 1939 as 100. For the lowest category of wage-earners, the report suggests the target should obviously be compensation to the extent of 100 per cent of the increase in the cost of living.

For categories above the lowest, it is felt a lower rate of compensation would be justifiable, but the amount of compensation should be based on salary scales and slabs.

Examining the various factors that should be taken into account in fixing wage-differentials, like the degree of skill, strain of work, experience, training required, hazard and fatigue involved, the committee was of the opinion that the wage-fixing body should carefully go into the question of wage differentials after deciding the weight to be attached

to these factors. The standard family in relation to fair wages, according to the Committee, should be taken as one requiring three consumption units and providing one wage-earner.

The setting up of Provincial Wage Boards in each province is recommended by the Committee. Regional Boards for each industry should also be set up according to requirements. Appeals from the decisions of the Wages Board should be heard by a Central Appellate Board which should have the power to co-ordinate the work of Wage Boards and to issue such instructions as may be necessary in implementing fair wage principles. The Committee concludes its report with the following observations :

"In order to safeguard the economy of the country, the State may occasionally have to intervene in the fixation of wages. Provision should, therefore, be made to enable the appropriate Government to direct, for reasons to be recorded, that the order of a Wage Board or of the Appellate Board where an appeal has been filed, shall not come into force. The appropriate Government should also have power to remit an order for further consideration by the Wage Board or the Appellate Board as the case may be." To give effect to these recommendations, the Committee suggested that suitable legislation should be enacted. It also emphasized that machinery should be created not only for the fixation of fair wages but for the implementation of the same through provincial Inspectorates.

Central Appellate Tribunal

In August, the Government of India called for the views of the provincial governments on the questions of setting up a Central Appellate Industrial Tribunal which will be charged with the duty of reviewing the awards and decisions of the Provincial Industrial Court. The Tribunal would help to ensure uniformity in the method of adjudication and settlement of industrial disputes. As the next session of the Parliament is far away, an Ordinance creating the Appellate Tribunal was expected to be issued.

Industries Control Bill, 1949

On March 23rd, 1949, the Minister for Industry introduced in Parliament a Bill to provide for the development, regulation and control of 25 industries. Actually, industrialists feel that the Bill gives the executive authorities sweeping powers over large and important industries and generally revives the fears of businessmen which had been somewhat allayed by the Statement of Industrial Policy of April 1948. The following criticism of the Bill by an eminent economist may be noted: "The Bill ignores completely the distinctions made by the Statement between different industries, places 25 more important industries together in a single schedule and gives the executive Government drastic powers to regulate and control them, without any consideration for the capacity of Government personnel to exercise the powers efficiently, honestly and justly. When the Bill becomes law, all existing industrial undertakings must get themselves registered and new industrial undertakings cannot be established or existing undertakings expanded substantially without a licence from the Central

Government. The licence may impose such conditions as Government may choose in accordance with the rules that they themselves may frame for the purpose, particularly conditions as to the location of undertakings and minimum standards in respect of size, equipment and technique. If Government are satisfied that the directions issued to an undertaking have not been complied with or that it is necessary so to do in the public interest, they may authorise any person to exercise any functions of control over the undertaking according to their own instructions.

Further, the Bill gives the executive Government sweeping powers to make any rules for the control and regulation of 25 industries, and particularly for stimulating the development of the industries, regulating the use of raw material, fixing standards of production, prohibiting any act which may reduce production capacity or economic value, providing facilities for the training of technicians and labour, supplying any information or statistics, maintaining particular books, accounts and records, employing particular accounting and auditing staff and submitting returns and reports. It is true that the rules are to be framed after consulting an Advisory Council and are to be laid before the Central legislature, but this is far less satisfactory than the grant of definite powers to the executive by the provisions of an Act itself of the Legislature, when the entire future of all the most important industries is at stake. Furthermore, the Bill lays down stringent penalties for any contravention of its provisions. Finally, the measure makes no provision for compensation to owners of undertakings over the managements of which detailed control is exercised by the Central Government, and the consultation of the Advisory Council is left to the rules."

When the Bill was referred to a Select Committee, Dr. S. P. Mookerji, gave the assurance that Government will not use the powers granted by the Bill in an arbitrary way, but such promises do not amount to anything. The general feeling was that the Bill conferred sweeping powers on the government and that it hampered private enterprise. Capital is already very shy and the flow of investment into industries which has practically dried up was not likely to revive when such powers to control industry are taken by government. In fact, government have on the one hand been repeatedly saying that private enterprise is being given full scope for development, while on the other it has sought to exercise functions of control which do not harmonise with the accepted freedom for private enterprise.

One criticism of the Industries Control Bill, 1949, was that it was Industries Birth Control Bill !!

Clerks in Textile Industry

As the result of a voluntary agreement between the Ahmedabad Millowners' Association and the Textile Labour Association, 5,000 clerks employed in the Ahmedabad mills were able to secure the right of fixed scales of wages, including a minimum wage, on the lines of the principles laid down by the Industrial Court. The important terms of the agreement are: Minimum wage fixed at Rs. 60 per month; clerks will be divided into three grades—junior grade, starting from Rs. 60 and rising to Rs. 200; senior grade, starting from Rs. 200 and rising to Rs. 250 and chief clerks from Rs. 200 to 295. Overtime allowance will be paid to clerks whenever they are asked to work more than seven hours a

day. They will also get one month's privilege leave with full pay and allowance every year, casual leave with full pay and allowance for ten days in a year and sick leave at the rate of one month per year with half pay. A provident fund and gratuity scheme will also be started.

Rationalisation in Ahmedabad

During the middle of August, the Wage Board for the cotton textile industry had before it an important question of rationalisation proposed to be introduced by the Ahmedabad Millowners' Association with a view to achieving greater production. The Association had sent a notification some time ago, to the Textile Labour Association on the matter of working of "relay" in the spinning department in all shifts and the working of "doubles". In the same department in mills as are working "singles".

Workers' Views

When the matter was being argued before the Board, it was suggested that the parties concerned might meet together and come to an understanding. Accordingly, the Majur Mahajan has addressed a letter to the Millowners' Association expressing its willingness to meet its committee. Rationalisation, according to the workers, the letter says, means doing compulsory more work without any corresponding relief, and so long as this impression prevails among them, it would not be possible to support the move. Rationalisation can only be introduced subject to terms and conditions agreed to between the parties under the Delhi settlement of 1935. The relevant conditions are that the new system should not create unemployment, should not impair the health of the workers and they should be paid the stipulated remuneration for rationalisation in accordance with the terms of the settlement. The Mahajan further suggested that the question whether the mill should introduce such a system should be decided by a Rationalisation Licensing Board, on which the mills and the Mahajan would be represented. The Chairman of the Board should be a person appointed by the government. It its statement before the Wage Board, the Majur Mahajan said that under the Delhi settlement an option was given to the mills either to work "Relay" for one hour and thereby get one hour's additional production of work or to introduce "doubles" subject to certain conditions. Not content with working "doubles" the millowners were trying to go in for "Relay" and such relay is contrary to the spirit of the Factories' Act. The statement further concluded that the Millowners' Association had not made out a case nor had it obtained a mandatory order of the Wage Board in that connection. The millowners were of the view that increase in "doubles" was necessary to cut down the cost of manufacture, while rationalisation was desirable to improve the standard of living of the workers. The question was referred to the Standardisation Sub-committee.

Decasualisation Scheme

The importance of the scheme to the textile industry cannot be too strongly emphasized. Its principle objects are: to secure the rationalisation of the recruitment system: to increase efficiency and production by reducing labour turnover; to reduce the waiting period of un-

employed workers: to eliminate bribery, corruption and favouritism in the recruitment of workers: and to encourage systematic training with a view to ensuring a steady supply of efficient labour. The Bombay Millowners' Association agreed to the scheme while its counterpart in Ahmedabad required some persuasion. The scheme was meant to eliminate the jobber, who is mainly instrumental for recruitment of labour. He is not only a recruiter but also a sort of personnel officer exercising in practice the powers of engagement, promotion and dismissal. For giving a job, temporary or permanent, or for giving promotion, he usually exacted a monetary reward and sometimes also a monthly payment by holding the threat of dismissal to the worker. As a result of this pernicious system, both the employer and the operative suffered. After all, the competitive power of an industry depends on the experience and the efficiency of its workers, which the methods of the jobber undermine. In Bombay and Sholapur, the powers of the jobber have been checked by the 'badli' control system. Government therefore felt it necessary to introduce a decasualisation scheme in Ahmedabad early in September 1949.

The Government of India have agreed to co-operate in the working of this scheme and have accordingly made available the services at Ahmedabad. The work of registration of workers will commence on September 5, at the Raipur 'A' type Labour Welfare Centre and continue there for about a week. Subsequently, the work of registration will continue to be done at the offices of the Employment Exchange of the Government of India situated in the Industrial Mill Compound, Gomtipur.

The Government of Bombay have appointed Mr. G. K. Dhutia, Assistant Commissioner of Labour (Administration), at Ahmedabad, as the local Manager for working the scheme. He will be assisted in this work by an Advisory Committee consisting of three representatives each from the Textile Labour Association, and the Millowners' Association, Ahmedabad. The Advisory Committee will announce from time to time the dates on which the unemployed workers of a particular mill will be registered. The workers who are employed at present are automatically covered by the scheme and need not get themselves registered. Only those workers who have been thrown out of employment as a result of the recent closures will be registered, in the first instance. As it is the intention of the Government to help all the workers who had been thrown out of employment recently, they are advised to get themselves registered on the dates that will be publicised by the Local Advisory Committee. Their seniority will be settled, having due regard to the various factors such as length of service, period of unemployment, etc. The unemployed workers are, therefore, requested not to rush the Employment Exchange as there will be sufficient time to register them all. From September 15, future recruitment in the cotton textile mills in Ahmedabad will be met through this agency. Except in the case of illegal strikes, so declared by the competent authority, vacancies arising out of a strike will not be filled by the employment exchange. The scheme contemplates training of textile workers and no textile mill would be allowed to employ a trainee without adequate and systematic arrangements for his training. The employment officer will determine which mill is entitled to train workers.

Staggering of Working Hours in Bombay Mills

As is now well known, the cyclone of November 1948 wrought much havoc, of which the most enduring was the damage to the electric production of Tatas. The supply of power to the Bombay Mills had therefore to be regulated and accordingly, a system was introduced by which there was $8\frac{1}{2}$ hours of work for a day on five days in the week and $5\frac{1}{2}$ hours of work on the 6th day. This was worked for six months, but both mills and workers were against this staggering system. The mills complained that the effective hours of work were far less and that production suffered. The workers said that they would agree to the staggering of hours of work only as a temporary measure and that after six months, they should not be expected to make sacrifices for a hydro-electric company which was not owned by the State. The Mill Mazdoor Sabha suggested therefore that electric power should be rationed to cinema houses and that electricity for domestic and street lighting should be reduced! Meanwhile, a judge of the Labour Court, Bombay, before whom an application from workers had come, declared that the change in working hours was illegal, but he condoned the offence because it had been done with the best of motives.

The Bombay Government had therefore to decide the issue. At a meeting of the Provincial Labour Advisory Board, the Labour minister Mr. Nanda traced the history of the system and stated that the Officials of the Electric Grid department had inspected the power houses of Tatas and also satisfied themselves that there was no alternative but to continue the existing system. The various alternatives suggested to the Board were found to be impracticable and undesirable by the experts.

Closure of Textile Mills

The closure of textile mills in the Bombay province and the consequent distress caused to labour was the subject of a debate in the Bombay Legislative Assembly on September 13th. Mr. Jadhav moving an adjournment motion said that out of a total of about 2,80,000 workers in the province, about 36,000 were idle and were passing through bad days. He pointed out that in Sholapur, about 13,000 workers were without employment owing to closure of the Sholapur mills. He asked the government to get the mills reopened, pay unemployment doles to workers and take steps to improve their condition. The Labour Minister, replying to the debate, rightly pointed out that in the past large-scale unemployment in the industry was common. He then referred to the circumstances leading to the closure of mills and also to the new scheme evolved by the government to dispose of the stocks and help the mills to reopen. The situation, he said, has been prevented from getting worse and if it got worse, government would take necessary steps to bring relief to unemployed workers.

Mr. Chandulal Parikh (Ahmedabad Millowners' Association) regretted that Mr. Jadhav's solicitude was only for the 35,000 unemployed workers, but not for the 25 crores of middle class people, whose plight was worse. He said that 20 per cent of the Ahmedabad mills were working at a loss, and that it was not fair on the part of government to compel the millowner to run his mill that way. He complained that

there was no attempt to restrain the excessive demands made by the extremist labour leaders and drew attention to the fact that in this country the textile industry had to employ 3 times more labour in one unit than in a similar unit abroad. *It is time that labour leaders appreciated this aspect and the need for greater efficiency.* But millowners have also the responsibility of seeing that mills were not badly managed and that no illegal closures of mills are made. The case of the Broach Fine Counts Spinning and Weaving Co. Ltd. is an instance in point. The Judge of the Ahmedabad Labour Court held that the action of the management *in closing the mill from April 1st without previous* permission from the Court was illegal and unjustified.

CHAPTER VIII

RAW COTTON

The past year has been a memorable one for raw cotton in India. The keynote of our cotton economy was acute scarcity, as a result of which cotton prices have throughout been at the ceilings overtly, and very much above the ceilings in unofficial trading. As we shall see below, the introduction of cotton control from September 1949 with higher ceilings was a matter in which government had indeed very little choice. One could not ignore either the stark fact of acute shortage with its implication of higher cotton prices to the grower or the necessity to keep such prices in some sort of control if only to ensure that the cost of production of cloth did not reach unreasonable levels at which the consumer would surely have bled. On top of a poor crop for which Dame weather was responsible, there was also a shortage of receipts from Pakistan. The Government of India were placed in a very unenviable position of having to tell the mills at one stage to utilise foreign cotton wherever possible and actually, they sent missions abroad, to Egypt, East Africa, Sudan, etc. to obtain supplies of cotton. Critical conditions were reached by April 1949. Importing foreign cotton meant spending huge sums at a time when the large food imports had already compelled this country to scrape the bottom of the barrel for hard currencies. Still, the authorities were not loath to encourage imports, as the alternative, viz. starving the mills of supply of cotton and consequent closure, was any day more disagreeable. With a carryover of barely 19 lakhs bales at the end of the 1947-48 season, a poor crop in 1948-49 naturally worsened the supply position. The crop for 1948-49 is estimated at 23.7 lakhs bales and the carryover at the beginning of the 1949-50 season is estimated at hardly 7 lakhs bales as against 19 lakhs bales last year. These figures tell an eloquent story.

World Crop Better, Indian Crop Worse

The irony of it is that high prices have not had the classical effect of stimulating output in India. This may probably be due to the fact that the acreage under cotton is limited by the necessity for expanding food cultivation. Here, as pointed out by the Foodgrains Policy Committee, there has been the peculiar paradox that the production of food crops had not increased with the reduction in cotton cultivation. We are thus left with a smaller acreage for cotton and as the yield has also

declined very much owing to weather and other factors, outturn of cotton has fallen. Estimates of the decline vary from 4 to 6 million acres in area and 10 to 15 lakhs bales in cotton yield. It is hoped that the authorities will find some way out of this vicious circle.

While in India falling production is thus the feature, the world output of cotton has been steadily increasing and the advent of the sellers' market can be seen in the United States, Egypt and South America. Naturally, world prices have been tending to decline. In terms of figures, it is estimated that world output for the year ended July 1949 was 29.2 million bales, which is an advance of 3.9 million bales for the last year. No precise figures of the cotton consumed are available, but it is certain that production was in excess of consumption in 1948-49 by about 1.5 million bales at least. One gets a clearer idea of the improvement in world supply of cotton, by noting the fact that, during the previous years, production lagged behind consumption to the tune of 2.5 to 3.5 million bales each year. It is said that, of the total of 29.2 million bales, the United States' output was itself 14.2 million bales. Even so, the output figure of 15 million bales for countries outside the U.S. is only 81 per cent of the pre-war average which was 18.6 million bales. As against this current consumption, estimated at 19.5 million bales annually, is said to be 3.5 million bales or 15 per cent below the pre-war average. World cotton exports were about 8.6 million bales for the year and about 70 per cent of pre-war.

India is thus a solitary exception to the general rule. It is, however, somewhat gratifying to note that an increase in the acreage of cotton in India during the 1949-50 cotton season has been reported and if weather conditions are favourable, it is likely that the current year's production will be substantially higher at 28 lakhs bales. Now that the Central Government have taken over the powers of cotton control, it is to be hoped that they will get a correct census of cotton acreage and output in the country. Till now the statistics compiled by provincial authorities were always very much wide off the mark. Traders are naturally handicapped if the correct carryover, etc. are not stated for their information. If a better crop is in store for the country, to that extent, it will be possible to keep cotton prices at or under the ceilings. There is no doubt that cotton output must be increased at any cost.

Import of Pakistan Cotton

Reference was made in the last *Annual* to the Indo-Pakistan Cloth Cotton Exchange Agreement under which Pakistan proposed to make available to India 20 bales of cotton for every 12 bales of cloth India supplied to Pakistan. This agreement was operative till the end of August 1948. A further agreement was reached between representatives of the two Governments on the 20th October 1948. In so far as cotton was concerned,

> "The Indian Delegation stated that the fixation of monthly quotas for the supply of cotton with a lapsing clause was not acceptable and should be reviewed: The representatives of the Pakistan Government agreed to fix an export quota of 360,000 bales for India for the period ending 31st January 1949, provided that if Indian purchases during the period fell below 325,000 bales such shortfall will be liable to lapse. The Pakistan Government representatives agreed that export quotas to other countries and purchases by them and for internal consumption in Pakistan will not together exceed 360,000 bales during the period. Pakistan representatives further agreed that consideration

of fixation of quotas on a monthly or quarterly basis for subsequent periods be postponed, and examined in due course by prior consultation in the light of working of this agreement as a whole."

With a view to allocate the quota of 360,000 bales of cotton for the period ending 31st January 1949, the Deputy Chief Controller of Imports, Bombay, issued towards the end of October a circular to all textile mills in India requesting them to submit information regarding (*a*) the actual consumption per annum of Pakistan cotton under each grade during the three years ending 31st August 1947, and (*b*) the actual minimum mill requirements of this cotton for each grade for the cotton year 1948-49. The mills were also required to furnish a guarantee in writing to the effect that full allocations made by Government would be taken up by them.

While bringing this circular to the notice of the respective millowners' associations, the Deputy Chief Controller of Imports invited their views on a suggestion received by Government for issuing lump allocations to the millowners' associations on behalf of their constituent members, with a view to safeguarding against any lapse of quotas of Pakistan cotton and the elimination of all competitive buyings by Indian mills which would have resulted in pushing up prices of raw cotton in the Pakistan market. The Associations, it was suggested, could make necessary arrangements for the purchase and distribution of the Pakistan cotton. It was pointed out by the government that mills hesitated to make purchases of Pakistan cotton or to furnish returns showing minimum requirements to the Deputy Chief Controller of Imports. Governments were therefore requested to confirm that the full prices paid for Pakistan cotton should be taken into calculation when fixing cloth and yarn prices. As regards the issue of lump allocations in favour of millowners' associations, the Committee of the Bombay Millowners' Association informed the Deputy Chief Controller of Imports that the import of Pakistan cotton into India should be on a trade-to-trade basis subject to any supervision of its actual working which Government might exercise. Subsequently, Government decided that, where Pakistan cotton was exclusively used, market prices during the basic period would be adopted for fixing cloth prices. Where both Pakistan and Indian cottons were used, prices of Pakistan cotton would be allowed on the same basis, subject to weightage for cheaper Indian cotton. While circulating this decision of Government to all mills, the Deputy Chief Controller of Imports also requested them to go ahead with the purchase of Pakistan cotton upto 30 per cent of their average consumption of Pakistan cotton during the three years ending 31st August 1947. He also assured them that there would be no difficulty in securing import licences upto that level, but he stated that it would not be advisable, for the present, to purchase cotton beyond 30 per cent till actual import licences were secured.

Supply Position of Cotton

In the previous chapters passing reference was made to the unsatisfactory position of cotton supply to the mills, which was one of the major factors hampering the working of mills. The reimposition of control on cotton prices and the general scarcity made even the available cotton extremely dear and, to some extent uneconomic to some of the mills to produce yarn and cloth. The Committee of the Bombay

Millowners' Association addressed representations to Government in February 1949 inviting their attention to the serious shortage in the overall supply position. From an analysis of figures relating to Indian cotton, they estimated that stocks with the trade and with the mills towards the end of August 1949 will amount only to about 4 to 6 lakhs bales, after providing for consumption in the mills and for export. The current crop was not likely to be available to the mills in the first six months of the season due to the time involved in plucking cotton from the fields and in the subsequent processes of ginning and pressing and sales from godowns to the mills.

Taking into consideration the supply position of Pakistan cotton, it seemed that the carryover at the end of August might be even less; as it was unlikely that the full 4.5 lakhs bales of cotton budgeted for from Pakistan would be available. When the Cotton Cloth Exchange Agreement between India and Pakistan was negotiated, Pakistan estimated an aggregate crop of 12 to 13 lakhs bales, but it appeared that this target had not been possible to attain, and according to certain reports, Pakistan crop was placed round about 8 lakhs bales. In view of the crop position and also in view of Pakistan having fixed cotton quotas to several foreign countries, including India, to the tune of 10.8 lakhs bales, in addition to the quota of a lakh bales which Pakistan was reported to have provisionally offered to Japan, it appeared that India's quota of Pakistan cotton might be reduced *pro rata* by at least 1/3rd which meant that the total carry-forward would be further reduced by about 1.5 lakhs bales, on this account.

That apart, there were very serious misgivings as regards the extent to which India could reasonably hope to buy cotton in Pakistan upto the quota limits. As an independent and sovereign State, Pakistan had, of course, the undisputed right to regulate exports of her cotton in the best interests of her own nationals, but conditions in Pakistan were such that it was extremely difficult for Indian mills to make any purchases. In addition, the purchaser in India who happened to make the purchase at a high price found himself without redress if the cotton actually received in India was not according to the basic samples or if the consignment was short-weight, in the absence of any provision for arbitration either in Bombay or in Karachi. Besides, in the long list of cotton quotaholders, announced by the Pakistan Government, in respect of 3.56 lakhs bales covered by the quota, established shippers held only about 1.44 lakhs bales, new-comers held 1.2 lakhs bales, while the balance aggregating to about a lakh bales was in the hands of people who were hitherto unknown to the cotton trade. Most of the quotaholders falling in the last two categories were practically jobbers who were not holding any cotton but who were prepared to sell their quota to the highest bidder and no mill of any standing was prepared to negotiate with them.

Several remedial measures were suggested by the Committee of the Bombay Millowners' Association to deal with the situation and in their reply Government gave their views on each of these suggestions as under. First of all, it was suggested that the imports of foreign cotton into India should be encouraged to the maximum extent. This was agreed to by Government. Imports of foreign cotton were allowed freely from all countries except hard currency countries and East Africa

and Sudan. The bulk purchase arrangements for 1948-49 Sudan crop having failed to materialise, Government subsequently allowed importers and mills to purchase and import Sudan cotton stapling ⅞" and above through normal trade channels. It was also urged that the use of imported cotton by the mills should be encouraged in every possible manner so that the pressure on Indian cotton may be less. The recommendations of the Production Control Committee were designed to assist this aspect.

But these proposals were not enough to solve the situation and it was suggested that government should arrange for the importation of 2.5 lakhs bales of American cotton. Such a step involved exchange difficulties, but it was suggested that an agreement with the U.S.A. should be arrived at by which such importation could be paid for in instalments conveniently spread over a few years. The official reaction of this suggestion was that they had had this proposal constantly in view but that they found it absolutely impracticable to make any dollars available for the purpose in view of the heavy drain on dollar resources for importing food. The committee of the Bombay Millowners' Association also suggested that the present restrictions on the use of staple fibre and rayon yarn should be removed and that mills should be encouraged to use them as far as possible. Mills should be permitted to utilise as many of their looms as possible in the manufacture of staple fibre or rayon fabrics or mixture fabrics. In reply Government stated that they had no objection to cotton mills using staple fibre and rayon yarn for the purpose of manufacturing cloth, but felt that it was absolutely necessary to control the prices of such cloth and mark it in the same manner as cotton cloth. Government therefore required the mills to take prior permission of the Textile Commissioner before using staple fibre.

The Committee desired that fullest encouragement should be given to the import of staple cotton by permitting mills to spin upto the maximum count. In other words, the existing ban on the spinning of warp over 60s or weft over 80s should be relaxed and the mills should be permitted to produce finer yarn for their own consumption, if they had the necessary machinery and if the quality and staple of the cotton warranted it. In reply Government pointed out that the question of spinning higher than 50s warp or 80s yarn had been gone into at great detail by the Production Control Committee and Government were not prepared to review the recommendations of the Committee without further experience in this regard.

It was also urged that the provisions of the Bombay Cotton Licensing Order which prohibited the hoarding of six months' stocks in individual mills should be relaxed by excluding foreign cottons and including Pakistan cotton from the scope of the Order. The Government of India took this matter up with the Government of Bombay and the latter agreed that they would be lenient in applying provisions of the Bombay Cotton Licensing Order to the stocks of imported cotton with the mills. The Committee further suggested that the restriction of the resale of foreign cotton in India should be removed.

One of the obstacles which the Indian mills would have to overcome in using increased quantity of foreign cotton was the high price

which had to be paid for such cotton, which would necessarily tend to put up the prices of cloth. The Committee, therefore, suggested that the situation should be relieved by Government by removing the duty at present levied on imported cotton and withdrawing the excise duty at present imposed on superfine cloth. Government, however, did not regard that either import duty on cotton or the excise duty on cloth would have any effect on production. In the opinion of Government, the high prices at which fine and superfine cloth were purchased by the public, both during the period of decontrol and subsequently, showed that these duties would not adversely affect the consumers' demand, but would, on the other hand, have an anti-inflationary effect.

As regards Indian cotton, the Committee submitted that, to increase the output of staple cotton in India, Government should announce the ceiling prices for the next year's crop well in advance of the sowing time. They further suggested the removal of the ban which had been placed in certain provinces on the movement of cotton from growing areas to the consuming areas under the supervision of the Textile Commissioner. The export of Indian cotton, it was suggested, should be allowed only against actual sales, the quantity being limited as far as possible. Further, the mills should be encouraged to spin finer wherever possible. In reply, Government stated that the provinces and States placing bans on the movement of cotton had been asked to remove them and pending final decisions thereon, the Textile Commissioner would sponsor the movement of cotton from growing areas to the mills in all suitable cases. As regards exports, Government decided not to issue any further licences for the export of raw cotton from India. In view, however, of the difficult balance of payments position with hard currency countries, an exception was made in respect of those hard currency areas, export to which was allowed for the time being. In order, however, to accommodate shippers who might have already entered into firm contracts with overseas buyers on the basis of licensing policy followed so far, it was laid down that the exporters who had entered into such firm contracts with overseas buyers should apply to the Deputy Chief Controller of Exports, Bombay, before 31st March 1949, with full evidence of the contracts made by them prior to March 15, 1949, for necessary consideration by Government.

As regards Pakistan cotton, the Committee suggested to Government that whatever quantity was not purchased by India by the end of the quarter should be carried forward to the next quarter and that the Pakistan Government should be requested to remove all restrictions regarding export of cotton, particularly, the quota system. Government stated in reply that the shortfall in the purchase of Pakistan cotton against the quota which was to have expired on the 28th February had, after negotiations with the Pakistan Government been carried forward and that the mills and the trade were accorded time to purchase cotton till the 15th May 1949. The Pakistan Government, it was stated, were not agreeable to give up the quota system and in view of the understanding between the two dominions that each of them would be allowed to retain their own licensing system, Government expressed inability to press for the Committee's suggestion regarding removal of the quota system.

Raw Cotton Stocks

QUANTITY OF RAW COTTON IN STOCK WITH MILLS

(Number of bales)

Date	Cotton actually on hand in mill godown	Ready cotton bought but not taken delivery of	Total
31-8-1947 ..	406,649	24,008	430,657
29-2-1948 ...	396,037	61,775	457,812
31-8-1948 ...	396,335	30,836	427,171
31-8-1949 ...	...	...	...

* Source : Bombay Millowners' Association.

Reimposition of Cotton Control

It will be remembered that in April 1948, the export of Oomra deshi raw cotton too was prohibited, in addition to the earlier prohibition on the export of all the varieties except Bengal deshi, Mathias and Comillas. Yet, cotton prices moved up to new high levels when the statutory floors and ceilings were removed. When in July 1948 control on cloth and yarn was reimposed, the government issued the following note at the end of August :

"In resolution No. 90/14-Tex.1/48 dated July 31, 1948, in which the Government of India announced their revised policy of textile control, it was stated that the question of control over the prices of Indian raw cotton would be considered shortly. The Government of India have now given very careful consideration to the matter in consultation with the Provincial and State Governments and all other interests concerned. They have decided that control should be imposed over the prices of Indian raw cotton.

As before, control will primarily be exercised through the specification of floor and ceiling prices. For the 1948-49 crop, transactions in respect of which will start almost immediately, the floor prices for Jarilla fine cotton of 25/32" staple will be Rs. 495 and the ceiling price will be Rs. 620 per candy of 784 lb. nett. This will correspond to a floor of Rs. 475 and a ceiling of Rs. 600 for Jarilla fine of ¾" staple Prices for other staples and other varieties of cotton which will be on the basis are being announced separately through a *gazette* notification. Provinces and states have been asked to take the necessary measures to implement this decision."

Early in September 1948, Government notified the statutory floors and ceilings in respect of various descriptions of cotton under Clause 5 of the Indian Cotton (Control) Order, 1945. The mills, however, found it extremely difficult to procure cotton within the ceilings prescribed by Government and the Central Government advised Provincial Governments to requisition if necessary cotton for the use of textile mills. The position, however, remained unsatisfactory. The question was again discussed at the conference of representatives of the cotton pro-

ducing provinces and States convened by the Central Government in Delhi in April 1949, to which a separate reference is being made.

Revision of Hedge Contract

Reference was made in the last *Annual* to the proposal to revise the Indian Cotton Contract which had been formulated to suit war conditions, so as to adapt it to the conditions of the post-war period. The E.I.C.A. had appointed a sub-committee to consider the evolution of a contract facilitating hedge trading in respect of growths then not tenderable against the I.C.C. That committee compared the conditions in 1948 with those in 1942 and considered that the factors which had called for a revision of the hedge contract in 1942 were operating on the same scale. An additional factor emerging from the partition of the country was that a large part of the tenderable crop became foreign cotton. Hence the committee thought that the basis to be adopted for the new Indian Cotton Contract should give proper weightage to these factors and at the same time tend to prevent, as far as possible, mixing of cotton, and bring nearer to reality the basis for fixation of spot rates. Having regard to all these considerations, the Committee recommended that the basis of contract should be 25/32″ for Jarilla cotton with a tolerance of 1/32″. The Committee also felt that nothing new had happened to justify the opening of a new cotton contract for short staple cotton. In communicating these views to the East India Cotton Association, the Committee also made certain recommendations with regard to details like tenderable varieties of cotton standard and tolerances, adjudicating procedure, upcountry delivery, emergency bye-laws, etc.

Early in July, the Board of the East India Cotton Association discussed with the Indian Central Cotton Committee the report submitted by their Hedge Contracts Sub-Committee, and certain modifications were effected in the Sub-Committee's recommendations. The modifications were presented by the Board to the General Body of the East India Cotton Association, early in September 1948, and an amendment of the existing Hedge Contract on the following, among other points was agreed upon:

(i) Staple length of 25/32″ for Jarilla cotton was accepted with a tolerance of 1/32″.

(ii) The penalty for failure to tender cotton on due date was reduced from Rs. 25 to Rs. 7/8/-.

(iii) The penalty in the case of bear raid was reduced from Rs. 50 to Rs. 15.

The revised Hedge Contract received sanction of the Government of Bombay, and trading in the new crop for the season 1948-49 was opened on the 15th September 1948, subject to the floor and ceiling prices and other terms and conditions of trading notified by the Textile Commissioner.

Criticism of Cotton Control—Sir Purshotamdas' Views

At the 27th ordinary general meeting of the East India Cotton Association Sir Purshotamdas Thakurdas gave expression to the view that government had been badly advised in reimposing cotton control. He said that the low ceilings fixed by government were "fertile breeding grounds for blackmarketing and corruption", and pointed out how,

because of loop-holes in the regulation, cotton in the unginned form (*kapas*) had been sold to the mills at a considerable premium over the official ceilings. He also referred to the danger that the present ceiling prices will encourage mixing of *deshi* with longer staple varieties. This was a result of short staple cotton being allowed to be exported and which was fetching a comparatively higher price than the controlled prices of the staple varieties. Sir Purshotamdas also stated that "to make frantic efforts to depress the price of Indian cotton and to send cotton missions abroad for purchase of cotton at relatively higher prices was simply an absurdity". As regards the objection by the mills that higher cotton prices would make it uneconomical to them, his answer is worth quoting: "There is one serious aspect of the policy of control of cotton as put forward and executed, which I would be failing in my duty if I did not refer to very clearly. It is now admitted that most of the mills are buying upcountry not in the form of cotton but in the form of *kapas* and they are reported to be paying for the *kapas* at least Rs. 40 to Rs. 50 higher than the equivalent of ceiling prices Does this not prove that they can afford to pay higher prices? And if they are to be prevented from paying these prices, are they to be given licence to profiteer at the expense of the grower?" He warned the government that, unless there is larger acreage of cotton in India, cotton will have to be imported in a large volume. "Apart from the question as to where foreign exchange will come from for these requirements, the fear that the conversion of India from an exporting country to one importing on such a scale can be set to be an effect of the ill-conceived control policy which will leave its mark on India's economic structure for many years to come." A warning from such an outstanding authority on cotton and a sturdy nationalist of the highest acumen and integrity, who has given of his best to the country for well over three decades, will, we hope, not be lost on government.

Mills' Viewpoint

These views of Sir Purshotamdas were criticised by textile interests who pointed out that control on cotton was bound to follow cloth control and that India could compete with other countries only by having cotton prices lower than that of Pakistan. As regards the scramble for cotton, millowners said that it was natural, as India was facing an acute shortage owing to the poor crop and the loss of about half of the Pakistan crop. The remedy, according to them, lay in controlling the prices of *kapas* and in requisitioning of cotton when necessary. The revision of cotton ceilings to higher levels would only result in a further rise in cotton prices, which black-marketeers would still continue to pay. With regard to the profits aspect, the millowners pointed out that in view of the revision on cloth prices on the basis of the Tariff Board report and the curtailment of dividends statutorily, industry was not making profits, adequate for replacements. In any case, they said that the present ceiling prices were far above those fixed by government in 1945-46. So the farmer was getting a higher price for his cotton than ever before. The industry fully agreed with Sir Purshotamdas in his view that the evil of 'mixing' should be prevented by government.

The following reply by a cotton merchant in the *Times of India* on January 6th, 1949, *apropos* of the plea that the industry does not make sufficient profits is interesting:

"Till December 1947, the textile industry made sufficient profits when the ceiling price of cloth of 20's count was Re. 1-8 per lb. and that of cotton Rs. 530 per candy. During 1948, the industry had the best profit-making period. The new ceiling price of cotton is fixed at Rs. 600 per candy which is only 1½ anna per lb. more than the previous ceiling. The price of 20's count is Rs. 2-0-6 per lb. which is Re. 0-8-6 per lb. higher than the ceiling price of cloth in existence upto December 1947. From all this it can be seen that, after making allowance of 1½ anna per lb. for the higher cotton ceilings, there still remains an increase of 7 annas per lb. of cloth which the representatives of the industry have managed to get from Government. I wonder how they would justify their statement of hardly sufficient profits."

Anomalies in Price Fixing

It appeared that some of the ceiling prices were very unrealistic. The case of Cambodia cotton may be cited. The ceiling fixed for this type was Rs. 720, while Pakistan cotton, with which Cambodia compares very favourably, was purchased by India at Rs. 1,000 per candy. The Tirupur Cotton Committee, therefore, rightly protested. Taking the ceiling price of Rs. 720, which is for delivery in Bombay, the price would rise to Rs. 780 from which must be deducted the cost of carrying cotton from Tirupur to Bombay and Rs. 10 differential, so that the price at Tirupur works out to Rs. 730. As against this must be set the fact that Punjab 298F, a comparable variety, was actually being quoted at Bombay at Rs. 1,080. It was not surprising therefore that such uneconomic and unrealistic ceiling prices did not attract supplies, for there cannot be two prices, one for Indian and another for Pakistan cotton when both are interchangeable and used for the same purpose.

We have gone into this question at some length because of the highly ticklish nature of the problem. In the first quarter of 1949, it was hoped that, as a result of all these agitations in the raw cotton trade, government would re-adjust the floors and ceilings of raw cotton, but the Minister for Industry categorically stated in the Parliament that government had no such intention. Cotton circles were therefore concerned about the situation. We may here note a few suggestions made by Mr. R. G. Saraiya, Vice-President of the Indian Central Cotton Committee in his pamphlet entitled "A study of ceiling prices on cotton". He has said:

"As India can supply only 50-60 per cent of the requirements of the domestic mills and the balance has to be imported from abroad, it is practically impossible to fix ceilings below world prices Such an attempt can only succeed if foreign cotton similar to Indian cotton is subsidised to the mills so as to reduce its price to the same level as Indian cotton. Otherwise there will be always the temptation to pay prices for Indian cotton upto the equivalent price of the imported foreign cotton from which the same yarn can be spun."

His suggestion was that the only course left open was to abolish the ceilings and if cloth control should be continued, regulate the price of cloth at regular intervals of three months on the basis of the actual ruling prices of cotton. The inter-provincial restrictions on the movement of cotton were another irksome factor to the raw cotton trade.

Ban on Cotton Exports

In the middle of March 1949, the Government of India decided that no further licence for the export of raw cotton would be issued, in an effort to conserve supplies in the country. An exception was made in

the case of exports to hard currency areas, in order to earn foreign exchange. An official press-note stated that the position of cotton supply had been getting worse and that the position had become so acute that the Indian mills had started using even those short staple varieties which all these years they considered unsuitable and which were being exported. In Lancashire, this restriction was keenly felt by the spinners who have always been relying on India for these very short staples.

The stage was therefore set for a reconsideration of policy and it was therefore natural that a conference of textile interests and all provincial and State governments should be convened at New Delhi on April 11th, 1949, to discuss the problems of cotton production and prices, particularly in view of the complaint of the mills about complete dearth of cotton supplies. The conference was held also under the auspices of the Ministries of Agriculture and Industry and both the E.I.C.A. and the I.C.C.C. were duly represented.

Delhi Conference (April 1949) Decisions

A notification issued by the Ministry of Industry and Supply said:

"There was a consensus of opinion in the meeting that in view of the Government of India's general policy to fight inflation, cotton control should continue for the present. The meeting also agreed that, whatever revision might be necessary in the prices of cotton and the differences between the basic price and the prices of different qualities of cotton, the new prices should come into force from the next crop year only, and should not in any way affect the present cotton crop and stocks. The meeting decided to set up an *ad hoc* committee consisting of representatives of the Provincial and State Governments concerned to examine and report what revisions, if any, should be made in the premia for superior varieties and staple of cotton, as related to the price of the basic type of cotton, namely 27/32 inches "Jarilla". It was generally agreed that the prices of cotton should be correlated with the prices of foodgrains and other competing crops so that the provincial plans for increasing food production should not be adversely affected. It was also agreed that the production of cotton could be increased without in any way affecting the plans for increasing food production, and that the necessary action should be taken immediately. It was also the general view that, in the present cotton stock position, Provincial and State Governments should not hesitate to use their powers to requisition cotton stocks wherever necessary, and that the Central Government also should take legal powers in this respect as soon as possible. It was however considered that, while requisitioning cotton stocks, care should be taken by the Provincial or State Governments concerned not to interfere with *bona fide* purchases by mills. The meeting was of the view that there should be no unnecessary restrictions on the movement of raw cotton from one province to another."

The Delhi Conference was disappointing to the cotton trade as no change was made in the cotton control and so far as cotton prices were concerned, there was to be no revision. It was particularly decided that whatever revision was necessary in the prices of cotton and the differences between the basic price and the prices of different qualities the new prices should come into force from the 1949-50 crop only and should not in any way affect either the present cotton crop or the stocks in the country. An interesting thing is that, while cotton interests were dissatisfied with the working of the textile control, manufacturing interests expressed their satisfaction and urged the continuation of control. The Textile Advisory Committee also met in Delhi and discussed measures for disposing of stocks. The only satisfactory outcome for cotton traders was that government had agreed to raise cotton production and in

view of the very bad supply position of cotton in the country, the revision of the new crop contracts for 1949-50 was certain. Speculation was rife about the new ceilings which were to be announced by the end of May and also about reduction of the basic staple length from 25/32″ to ¾″. Some operators felt that such reduction would discourage the growth of long staple cotton in the country.

Stress on Imports

In his address to the Cotton Textile Social Club, Dr. S. P. Mookerji denied the rumours that textile control was to be discontinued. He also explained the government policy regarding the import of foreign cotton. While receiving a deputation from the Bombay Millowners' Association, he appealed to the Bombay Mills to switch over to foreign cotton as quickly as possible and the need to conserve domestic cotton stocks. According to official statistics, about four lakhs bales would be available in the country as reserve on August 31, 1949, the last day of the current cotton season. This reserve would be hardly sufficient to tide over the period between September and December when there would be no harvest. In order to meet this gap, it is stated, the Minister asked the textile interests to go in more and more for foreign cotton, by which another four lakhs bales would be made available, thus increasing the cotton reserve to eight lakhs bales at the end of the season. This reserve, it was stated, would be sufficient to meet the demands of the textile industry between September and December. Government officials seemed very hopeful about increasing imports of foreign cotton into the country. They pointed out that the Government of India had recently removed a number of restrictions on imports of cotton and that they had also reasonably taken into account the high prices of foreign cottons at the time of fixation of cloth prices. It was also stated that the mills in Bombay and Ahmedabad were being considered individually as to which of them can use foreign cottons more profitably. All these efforts will have a cumulative effect on the mills in Bombay and Ahmedabad which will be induced to use more and more foreign cotton in the near future.

Mr. Kasturbhai Lalbhai led a cotton mission to East Africa and completed arrangements for the purchase of over 2 lakhs bales of cotton at a cost of Rs. 15 crores. The Mission proceeded to Kahartoun, capital of Sudan, and negotiated for the purchase of 1 lakh bales. Similarly, under the Indo-Egyptian trade agreement signed on May 11, on the basis of most-favoured-nation treatment, Egypt was to supply 3 lakhs bales of cotton. It will be clear therefore that India had shed its status as an exporting country and had become an importing country in regard to raw cotton. In addition to the above importing arrangements, it was reported in March 1949 from Washington that the Export-Import Bank would be inclined to grant a loan to India for the purchase of U.S. cotton to the extent of about 2 lakhs bales. It seemed strange at first that the Government of India had not utilised the source, but it turned out that the government were deliberately not tapping the source as they would import only food.

As regards Pakistan exports of cotton to India, the commercial agreement between the two countries was due to expire in June and the position at the end of April last was that, as against the 6.5 lakhs

bales due to be supplied by Pakistan, India had received only 3.5 lakhs bales and even with the utmost speed, it was expected that before the agreement expired in June, there would be a shortfall of 1.5 lakhs bales. This was due mainly to the defective export policy of that Dominion and her refusal to give to India the same facilities which she had extended to other countries.

Basic Price of Cotton—1949-50

In May 1949, the pleas to government from raw cotton merchants for an upward revision in the basic price of Jarilla for 1949-50 were pouring in. Government, however, decided on May 18, not to allow any increase in the price of Jarilla 25/32" and equivalent varieties, but in order to encourage increase of production of superior variety of cotton, certain changes were made in the differentials allowed previously for certain varieties. Government also emphasized that the new prices will be enforced whenever necessary by resort to requisitioning of cotton. We cannot do better than quote the press-note issued on the subject:

> "When cotton prices were fixed for the current cotton year (1948-49) the Government of India intended that prices for the next cotton year would be reconsidered and fixed in the light of experience well in advance of the sowing season. They have accordingly, reviewed the matter in detail in close consultation with the Provincial and State Governments concerned, and the representatives of the Indian Central Cotton Committee and of the trade. After a full consideration of all aspects of the matter, the Government of India have decided not to allow any increase in the basic price of cotton, namely Jarilla 25/32 inches and equivalent varieties. These prices will, therefore, remain the same for the cotton season 1949-50. In order, however to encourage increase in the production of superior varieties of cotton, certain changes have been made in the differentials now allowed for these varieties.
>
> The floor and the ceiling prices respectively of the different varieties of cotton for the next crop year, will be as follows:—(per candy)
>
> Jarilla 25/32" Rs. 495, Rs. 621; Broach 3/4" Rs. 475, Rs. 600; Vijaya 25/32" Rs. 565, Rs. 690; Surat 7/8" Rs. 655, Rs. 780; 4F Punjab American 3/4" Roller-Ginned Rs. 525, Rs. 650; 4F Punjab American 3/4" Saw-Ginned Rs. 545, Rs. 670; LSS Punjab American 13/16" Roller-Ginned Rs. 585, Rs. 710; LSS Punjab American 13/16" Saw-Ginned Rs. 605, Rs. 730, 289F Punjab American 7/8" Roller-Ginned Rs. 675, Rs. 800; 289F Punjab American 7/8" Saw-Ginned Rs. 705, Rs. 830; Coompta 7/8" Rs. 645, Rs. 770; Upland 13/16" Rs. 575, Rs. 700; Western 13/16" Rs. 555, Rs. 680; Cambodia 7/8" Rs. 675, Rs. 800; Karunganni 13/16" Rs. 575, Rs. 700, Buri-American 7/8" (including C.P. Cambodia) Rs. 525, Rs. 750; Parbhani American 7/8" Rs. 525, Rs. 750; Gaorani (6) and (12) 7/8" Rs. 525, Rs. 750; Dhollera 3/4"—Rs. 570; Kalagin 3/4"—Rs. 570; Bengal Deshi—Rs. 445; Mathia—Rs. 495; Oomra Deshi—Rs. 495; C.P. I and C.P. II 5/8"—Rs. 520; Central India—Rs. 495.
>
> The Government of India desire to make it clear that the above prices will apply only to the cotton grown in the next crop year and not to the current cotton crop. They have every intention of enforcing these prices by resorting to requisitioning of cotton whenever necessary."

Trade Reactions

Trade circles in Bombay gave a mixed reception to the Government of India's decision not to allow any increase in the basic price of cotton for the year 1949-50. While restrained satisfaction was generally expressed at the revisions made in the differentials for a number of varieties, certain sections of the trade, who had anticipated an increase in the basic price, were disappointed. They had read too much in the

announcement made at the cotton conference, held in New Delhi in April last, to the effect that the proposal for a higher basic price would be considered if circumstances justified it. Government, they presumed, would raise the ceilings by about Rs. 75. The majority of cotton interests, however, were aware of the State policy on cotton prices as had been indicated at the recent conferences on food and cotton as also in official viewpoints as reported in the press. It was generally admitted, however, that the upward revision of differentials in varieties of good staple lengths such as Cambodia 78", Surat 7/8", Karunganni 13/16" and Punjab-American 7/8" would definitely encourage increased production of superior styles. There were some, however, who wished that government had increased differentials by as much as Rs. 100. The Board of the E.I.C.A. expressed disappointment that the basic price of Jarilla had not been raised, despite the higher cost of production of that variety. They decided to represent to the government in the matter. According to one director, the cost of production of Jarilla was more than Rs. 700 per candy while the price allowed was only Rs. 620. He said government had also done an injustice to cotton cultivators in Khandesh and Berar who only produced Jarilla. It was felt that, by maintaining low ceilings, government had not provided any incentive to the grower of cotton.

Central Control over Cotton

Reference has already been made earlier to the lack of uniformity in cotton control as enforced by different provinces and States which have different methods of controlling production, distribution and movement of cotton. Thus, some had imposed a ban on exports, thereby causing inconvenience to the textile mills in adjacent territories. Again, some provinces had imposed sales tax on cotton, while some had levied an export duty. It was therefore clear that the control over cotton should be taken over by the Central Government, if only because the success of textile control depends upon effective control of the raw material. On May 30, 1949, the Constituent Assembly passed a Bill to place cotton, including ginned and unginned cotton and cotton seeds in the list of commodities which are Centrally controlled. An amendment of the India (Central Government and Legislature) Act of 1946 by which the Constituent Assembly empowers the Central Legislature, was needed to include cotton within the purview of control by that body. As the law stood before May, cotton was a commodity which stood on the provincial list alone. (The law, owing to a defect in drafting, related only to cotton and woollen textiles.) Last year, when textile control was reimposed, it was the unanimous opinion of everybody that the Centre should control also cotton. But it had no legal power to do it. As the Minister for Industry explained in Parliament:

"Later on, when it came to giving executive directions for enforcing such a control order, a lot of complications arose because the Central Government did not have the legal power to pass legislation or to take executive action. The matter was referred to the Provincial Governments and the latter are now all agreed that it would be desirable to put cotton as one of the Centrally-controlled commodities." The Bill was duly passed and now applies to the 1949-50 cotton season. The trade hoped that its enactment will ensure the free movement of cotton in the next season with a great degree of uniformity in prices, disposal, movement and distribution.

Cotton Stocks

So far as the cotton stock position of the mills in the country was concerned, according to a statement compiled by the Textile Commissioner, stocks of Indian cotton with the mills on March 31, 1949, were over 10 lakhs bales as against 9,87,000 bales in the corresponding period last year. Stocks of foreign cotton, including Pakistan cotton, on March 31, 1949, were around 4,06,677 bales as against last year's 5,51,664 bales. This shows that the cotton stock position has not deteriorated to an appreciable extent.

It has, however, to be noted that the consumption of Indian cotton from September 1, 1948, to March 31, 1949, was 19,78,995 bales as against 14,11,544 bales in the previous year. It shows that there has been an increase of 19 per cent in the consumption of Indian cotton and a decrease of 46 per cent in the consumption of foreign cotton including Pakistan varieties. The increase in the consumption of Indian cotton was due to the fact that a number of mills in the country which had been using Pakistan cotton till last year had gradually switched over to Indian cotton due to the higher price there and the uncertainty of supplies from that Dominion. Kanpur mills, for instance, were reported to have consumed about 1,31,651 bales of Indian cotton during the period as compared to 43,000 bales last year, while they consumed only 37,000 bales only of foreign cotton (including Pakistan varieties) as compared to 1,20,000 bales last year. On the last day of April, the opinion in the trade was that the difference between old and new crop prices will begin to narrow down. Actually, the technical position of the market was even considered to be unhealthy in view of the large stocks of cotton, considerable percentage of unlifted export quotas, higher export parity and prospects of better crop in the next season.

Suggestions from E.I.C.A. regarding New Contract

The E.I.C.A. sent a memorandum to the Government of India about the terms of the new hedge contract for 1949-50 in May. The Board recommended to the government that there should be no price control on cotton and dealers should be free to buy and sell cotton at any price they like and that only a provision should be made that in delivery against hedge contract above the 'Quasi-ceiling rates', the spot rates should be the market rates or the quasi-ceiling rates whichever is lower. The Board wanted that upcountry delivery should be introduced and that the system of weightage should be abolished. The Board also recommended the fixation of ceiling prices for manufactured goods, such prices being based on quasi-ceilings of cotton. The definition of quasi-ceiling was that they should be the rates for the various growths and staple length of cotton which government have in mind as ceiling prices under the proposed control scheme for 1949-50.

The Board recommended that Government should have the power to requisition cotton from available stocks at the 'quasi-ceiling' prices for mills which have less than two or three months' stocks. Requisitioning should be made from stocks in the hands of merchants as well as the textile mills, if the latter exceed stocks of six months' consumption. This will prevent reckless buying by textile mills. It will also check merchants from bidding up the price for speculative purposes, as they will always have the risk of their cotton being requisitioned at the

'quasi-ceiling' rates. It will further act as a deterrent to mixing and other malpractices which tend to lower the grade and staple of cotton. With the suggestions of the East India Cotton Association, cotton traders also recommended that in view of the reduction in the cotton crop of the Indian Union, there should be only three contracts in a season, namely March, May and August. The hedge contracts, it was stated, are mainly for protection of stocks of bales against fluctuations in prices and are not meant for giving or taking delivery. This being the case, traders suggested that there should be only three contracts instead of four at present. The suggestion for the introduction of August contract had been made since it is the last month of the season against which cotton stocks remaining at the end of the season will be easily tendered.

New Crop Trading

Cotton traders wound up 1948-49 with mixed feelings about the prospects of business in the new year. Now that the Central government have assumed control over cotton, their approval for forward trading in new crops was anxiously awaited. Trading in new crop contracts should have commenced normally by 1st September, but the necessary approval of government had not been received on that date. That did not, however, prove an impediment to the members, several of whom were known to be freely trading outside the ring in new crop contract by some weeks. In fact, the Bombay government warned the members of the E.I.C.A. against the carrying on of such business and the Board accordingly warned the parties that they were liable to be penalised under bye-law 47(2) and also under bye-law 17(b) for violation of the Cotton Control Order. The visit of Dr. S. P. Mookerjee to Bombay in the first week of September was utilised by the cotton merchants to clarify issues and it was felt that most of the recommendations of the Hedge Contract Sub-Committee would be accepted by government, except that the first delivery contract might be changed to March from February owing to the tight supply conditions.

On September 14th, 1949, the Textile Commissioner issued the long-awaited permission authorising trading in ready, delivery and hedge contracts by the members of the E.I.C.A. Two schedules of prices, one prescribing the floors and ceilings of cotton of the season 1948-49 and earlier, and the other prescribing the floors and ceilings for the season 1949-50 were provided for. By another general permission, the Textile Commissioner excluded the contract relating to foreign cotton from the operations of Clause 4 of the Cotton Control Order, 1949. The official press-note issued in this connection stressed the intention of government to maintain the ceiling prices in the interests of the consumer, and to support the floor prices in the interests of the growers. An admirable example of optimism, indeed!

This announcement was received with relief by the trade, especially as previously there had been rumours that the government were reluctant to permit forward trading in 1949-50. Just before the announcement, the February contract had been just below (Rs. 15) the ceiling level of Rs. 620 and it was generally expected that the ceiling would be touched very soon. With the basic floors and ceilings remaining unchanged at Rs. 475 and Rs. 620 respectively, it seemed that the terms of trading remained much the same as before. In view of the fact that contracts in foreign cotton were permissible without any restriction on

prices, some expected that straddle business between Bombay and overseas countries might even be possible, provided the exchange control regulations allowed it. The main interest of the market was more in the May contract, rather than February which was soon due to go into oblivion.

Mention has already been made regarding the amendment to the Essential Supplies (Temporary Powers) Act, 1946, by an Ordinance so as to bring raw cotton and cotton seed under the purview of the Central Government. Accordingly, the Government of India issued a Cotton Control Order to regulate the prices, supply, distribution, trading and transport of raw cotton on September 16. The Order applies for all provinces, including States which have merged in the provinces and those who have come under Central Administration. It is by virtue of the powers conferred by this Control Order that the Textile Commissioner issued the terms of trading for the crop year 1949-50.

Indian Central Cotton Committee

Presiding over the annual meeting of the I.C.C.C., Sir Datar Singh, Vice-Chairman of the I.C.A.R., gave an assurance that the Central Government was very much alive to the whole cotton situation in the country and was trying to deal with the matter in as practical a way as possible. The shortage of cotton stocks in the country was very serious and Government's immediate objective was to produce in India itself the country's full requirements of medium and long staple types of cotton. Regarding the financial position of the Committee, he announced that the Government of India had sanctioned a grant of Rs. 30 lakhs to the Committee from the Cotton Fund. This money, he said, together with additional income which the Committee would derive as a result of the doubling of the cotton cess and the collection of cess on all cottons either consumed in mills or exported, would not only enable the Committee to tide over the difficulties in the immediate future, but also to extend the sphere and scope of its activities. Sir Datar Singh said that surveys had been made of the important cotton growing tracts of the country with a view to ascertaining in what areas cultivation of American cotton could be extended and also stimulating further endeavours in the tracts in which American cotton was now grown.

The Committee passed a resolution moved by Sir Chunilal B. Mehta urging the Government of India to revise the floors, ceilings and differentials of cotton to such a level " as would induce the cultivators to extend the growing of improved varieties. The Committee fully appreciated the need for increasing the production of food crops, but felt that the need for increasing the production of cotton was equally great and recommended diversion of as much acreage as possible to cotton. The Committee also passed the following resolution moved by Mr. R. G. Saraiya, Vice-President :

> " In the structure of floor and ceiling prices, special high differentials should be allowed for special varieties of cotton sponsored by the Indian Central Cotton Committee and/or the Provincial Departments of Agriculture. In the formula for determination of the price of cloth, the same consideration and allowance should be made in the price of cloth if Indian cotton is used for the manufacture of cloth with the same specifications as is allowed if foreign cotton is used."

The Committee carefully considered the question of planned production of cotton in the light of its earlier recommendation to the Government of India that the acreage under cotton should be raised by four million acres. It pointed out that the situation regarding cotton surplus was getting serious and that the present cotton crop even on the assumption that the whole of it would be available for the mills' requirements, was not sufficient for the needs. To rely on cotton imports appeared neither good policy nor good economy.

The Committee suggested that the acreage diverted from cotton should be brought back under cotton and intensive work should be undertaken immediately to extend the areas under improved cottons in the new areas, such as Madhya Bharat, Rajasthan, Patiala and East Punjab States Union; and that basic prices for cotton should be raised to an economic level so as to induce cotton cultivators to increase cotton acreage and the differentials should be brought to such a level as might give an impetus to cultivators to grow medium and long staple cottons.

The Committee approved several schemes including one for breeding unirrigated Cambodia cotton in Madras Province spread over five years at a cost of Rs. 62,000. Another scheme for the extension of Jarilla seed distribution in Bombay Province was also approved.

It is gratifying to note that the Committee has decided to expand its activities regarding the collecting and publication of all statistics pertaining to cotton. It laid special emphasis on collection of data of prices and arrivals of cotton in the upcountry regulated markets, preparation of a consolidated weekly summary of these prices and arrivals, and a study of the relationship of the upcountry prices with those in the Bombay market. In the coming years, the I.C.C.C. has a great function to perform and in view of the need for growth of medium and long staples, the supplies of which have been cut off since partition, this body has to apply itself with more than usual energy to its duties. The experiments now being carried out in the Madras Province for cultivation of long staple will be watched with great interest. Although the claims of food cultivation should have priority in any scheme of greater agricultural production there is no doubt that the expansion of cotton cultivation, particularly in respect of medium and longer staples, cannot be neglected any longer. It must be remembered by everybody that unless raw cotton supplies are more plentiful, it will not be possible to bring down the cost of cloth,—even though labour be prepared to reduce its wages. The need for planning is absolute.

Stabilisation of World Cotton Markets

Representatives from 21 cotton importing and exporting countries met in Brussels in April 1949 to pave the way for an international agreement to stabilise world cotton market. Forty-one countries and the United Nations sent observers to this meeting, at which 90 per cent of the world's cotton producers and 80 per cent of the consumers were represented. The scope for agreements similar to the world wheat agreement, and for fixing export quotas as well as maximum and minimum prices was explored, though no agreement was actually drafted. According to an annual review presented to the International Cotton Advisory Committee, the 1948-49 season would provide enough cotton for world demands and a small carryover of 500,000 bales. Over

1947-48, production was estimated at 15 per cent higher, while consumption was about 2 per cent below. While cultivation was stimulated by favourable prices in most producing countries and by extremely good conditions for the crop in the United States, consumption was hampered by local labour shortages, even in spite of international movement of textile labour. The countries thus affected were chiefly in Europe.

CHAPTER IX

TEXTILE MACHINERY EQUIPMENT IN INDIA

The Indian cotton Textile industry, which is the oldest industry of this country, has hardly kept pace with the technological advances of other countries. By comparison with America and even Great Britain, we are far behind. The great problem at the moment is not even the installation of modern machinery but one of replacing the completely worn-out and out-of-date machinery. A great handicap to higher production is the highly depreciated state of the machinery in most of the mills. For the last two years efforts have been made to import textile equipment, mainly in the spinning department and have met with some success. Naturally, it is not easy to import machinery from the hard currency countries, and we have been relying on the British manufactures to a very large extent. In 1948, the imports of machinery from U.K. accounted for Rs. 33.33 crores, which was nearly a seventh of all the machinery exports of U.K. to the world. Some spindles have also been imported from Japan. It is believed that India could have obtained 60,000 more spindles from Japan by the end of March 1949 if the Government had issued licences in time for importing them. The freight from Japan was, however, too high and made importing much costlier than it need be.

National Machinery Manufacturing Co. established in 1947

Interest has been centered in the efforts to manufacture items of textile machinery within India. It was nearly two years ago that an Indian delegation headed by Mr. K. M. D. Thackersey, went to U.K. for negotiations with British manufacturers, and the National Machinery Manufacturers, Ltd. was floated. At the first annual meeting of the company, Mr. Thackersey stated that the activities of the company so far had been concentrated on the planning and organizations of the factory. The present issued capital of Rs. 1.5 crores was insufficient to finance the modified production unit and the directors had therefore under consideration the question of raising additional funds. He stated that 250 acres of land had been acquired for the company at Thana and that the authorities had given necessary steel allocations for buildings, etc. It appears that a large number of machine tools and other items of plant had already been delivered in England, and would be shipped to India as soon as the buildings were ready. According to Mr. Thackersey, an approximate estimate of the cost of production of textile machinery proposed to be manufactured by the company showed that once production was fully established, it would be possible to earn a satisfactory profit, while still maintaining the standard of quality of imported machinery.

There was no doubt that there was a large market in India for machines and spare parts, for maintenance of plant in mills, not to mention the proposed additional factories.

Plant for New Mills

According to reports from New Delhi, by the end of 1949, India will have 15 new textile mills producing between 80 and 100 million yards of additional cloth and also textile machinery manufacturing factories erected in different parts of the country to turn out textile equipment. By 1951, India was to manufacture 400 million additional yards of cloth which will enable government to develop export trade further. Five new companies with a total capital of Rs. 6 crores have been formed for manufacturing textile machinery, with factories located at Bombay, Gwalior, Cawnpore and Coimbatore. The plant has already been erected in some places. It is stated that with the establishment of these factories, some 40,000 ring-frames could be produced per month, constituting 30 per cent of India's additional requirements. Our annual needs are estimated at 1.5 million frames. According to Mr. B. B. Joshi, a well-known textile technologist, Indian mills spend Rs. 20 lakhs annually on the reeds for powerlooms while about 400,000 pieces of reeds are used up for working 200,000 powerlooms producing about 500 million yards of cloth.

Healds, Reeds and Wire Healds, and Shuttles

The manufacture of reeds was started in India in 1932 in the face of great competition from manufacturers abroad, and a Tarrif Board had recommended an increase in duty on imported reeds from 10 to 15 per cent but government turned down the recommendation. Conditions were better during war-time owing to stoppage of imports, but still the industry depended on Britain for some of the raw materials like round and flat reed wire, reed ribs, etc. The equipment installed in India is capable of producing the full requirements of the industry but, these raw materials present considerable difficulty. At present, about 100,000 pieces of reeds are produced in a year, which forms about 25 per cent. of the total requirement. The quality of the reeds has greatly improved in recent years. The production of healds, viz. 400,000 in India, is about half of the annual requirement, while the production of wire healds is only 5,000, against the requirement of 55,000 every year. This is due to non-availability of suitable steel wire. The production of shuttles is 650 gross in India, while the requirement is about 8,300 gross per year. This is due to lack of suitable cornel wood, etc. within the country.

Manufacture of Bobbins

The total indigenous output of bobbins is about 300,000 gross, while consumption by the textile industry is about 425,000 gross each year. The competition from Japanese imports is distinctly worrying the Indian manufacturers especially as large arrivals are expected from abroad in 1949. The industry had put in a claim for protection before the Tariff Board, and in November 1948 it was stated that the estimated fair selling prices of indigenous bobbins were appreciably lower than the landed cost of imported ones. The inferior quality of Indian timber is another handicap and good bobbins can be produced only from birch wood

imported from Canada. As imports are difficult, some manufacturers have been using Indian wood like Haldu and Kalam, but the mills appear to be rather reluctant to use such bobbins. Steps have been taken to fix up standards and the mills have been required to patronize only those manufacturers whose products conform to the standards described. We would invite a reference to pp. xv—xvii in "Cotton Industry at a Glance."

Protection to Bobbin industry

By their resolution dated 28th February 1949, Government of India stated that the Tariff Board having considered the claims for protection from the bobbins industry had recommended as follows:—

(1) So long as the licensing of imports of bobbins is continued for balance of payments considerations, the desirability of maintaining and expanding the indigenous production of the article should be kept in view and the quantum of imports should be regulated accordingly.

(2) The existing restrictions on the import of cotton mill and jute mill bobbins should cover spare parts of jute mill bobbins as well.

(3) The Annual Statement of the Seaborne Trade should record separately the numbers of (i) jute mill bobbins and parts, (ii) cotton mill bobbins and parts, and (iii) bobbins required for woollen, silk and rayon mills.

(4) The manufacturers of bobbins should take early steps to equip their units with modern machinery and tools. Government should give them facilities to import such machinery and tools.

(5) The present facilities for the supply of the three types of timber to the bobbin manufacturers, viz. haldu, kalam and mango should be enlarged. Government should arrange to have adequate tests carried out regarding the suitability of different kinds of timber for the manufacture of bobbins and secure the co-operation of textile mills for this purpose.

(6) So long as import restrictions on timber continue for balance of payments consideration, imports of foreign timber for the manufacture of bobbins should be permitted only to the extent necessary to supplement the supply of indigenous timber and that all applications for permits to import timber for the purpose should be scrutinised before such permits are issued.

(7) The two Sub-Committees recently appointed by the Indian Standards Institution to evolve standard specifications for jute mill bobbins and cotton mill bobbins respectively, should be required to expedite their work.

(8) Pending adoption of standard specifications, Government should appoint two timber experts, one from the Director-General of Industry and Supply, and another from the Forest Research Institute, Dehra Dun, to carry out a rapid survey of the industry and draw up a list of factories which are suitably equipped to produce quality bobbins. Such factories may be called "approved" factories.

(9) The jute and cotton mill industries should buy their requirements of bobbins, as far as available, from "approved" factories."

As regards recommendations (1) and (6) they will be given due consideration in the administration of the policy regarding imports, and in the revision of that policy from time to time, for so long as import control is necessitated by exchange considerations. So far as recommendation (2) is concerned, the existing import restrictions on bobbins cover spare parts of jute mill bobbins as well. Government accept recommendations (3) and (7) and necessary action will be taken to implement them. Recommendations (5), (6) and (9) are under consideration in the Ministries of Industry & Supply and Agriculture. The Government of India wish to draw the attention of the industry to recommendation (4) contained in paragraph 1 of this Resolution.

It will be in national interest to develop capacity for manufacture of textile equipment, at the earliest date. We recommend a high priority for it.

LATEST INFORMATION :

Cloth Prices reduced in November 1949

An important event concerning the textile industry was the announcement regarding the reduction of 4 per cent in the ex-factory price of cloth and yarn produced from November 1, 1949. The distribution charges for retail sales of cloth are to be reduced by 6 per cent and fixed at 14 per cent as against the previously fixed rate of 20 per cent. The distribution charges for yarn are being fixed at 12½ per cent as against 15 per cent previously. The Provincial and State Governments are given powers to fix a still lower price as the maximum retail price for sales of cloth and yarn within their respective jurisdiction.

Increase in Indigenous Cotton Consumption in 1948-49

Consumption of Indian cotton for 1948-49 (September to August) amounted to 31.23 lakhs bales as against 28.63 lakhs bales for the previous season. The upward trend is greatly attributable to the reduced receipts of Pakistan cotton and their prohibitive prices. Consumption of Pakistan cotton was marked down appreciably from 723,216 bales to 410,956 bales, a drop of 38 per cent. Mainly due to indifferent quality of West Punjab cotton, the offtake of this type of cotton was particularly poor, consumption declining from 511,711 bales to 222,344 bales. Consumption of Sind cotton was relatively steadier at 184,137 bales as against 211,505 bales in the previous season. There was a switch over from Pakistan cotton to Egyptian cotton to some extent. As against the previous season's consumption of 305,697 bales the offtake in 1948-49 amounted to 395,850 bales—a rise of 30 per cent. Consumption of other foreign cottons was also slightly better at 323,915 bales as compared with 318,519 bales in 1947-48. In the above category, consumption of the Sudan cotton declined from 88,870 bales to 60,120 bales, largely due to reduced arrivals from that country during the season under review. The offtake of East African cotton was somewhat lower at 185,967 bales, the previous season's figure being 195,315 bales. Peruvian and other American cottons absorbed by the Indian mills were higher at 72,663 bales as against 26,463 bales in 1947-48.

Consumption of both Indian and foreign cotton including those of Pakistan in 1948-49 amounted to 42.54 lakhs bales as against 42.10 lakhs bales in the previous season.

FINIS

APPENDIX A

RAW COTTON IN INDIA, AND THE WORLD

(PRODUCTION, CONSUMPTION, IMPORT AND EXPORT ASPECTS)

Cotton is universally known as an international textile fibre possessing unique properties. The best types are produced in sub-tropical countries, although it can also be grown in tropical areas. Climatic conditions exert a great influence on the quality, and adequate rainfall is necessary for satisfactory cultivation. Cotton has now been standardised to so great an extent that the users can have a choice of almost any quality required for their various needs. These different characteristics are length, strength, regularity of staple, colour and varying degrees of softness.

The chief producing countries are the U.S.A., the Union of India, Pakistan, Soviet Union, Brazil, China, and Egypt, although it is also grown in 14 other territories on a fairly large scale. U.S.A., India, Pakistan, Brazil and Egypt represent the main sources for world trade. The quantities produced in Russia and China are generally consumed internally, although varying quantities have been sold abroad from time to time. The chief importing countries before the war were Japan and the U.K. which between them accounted for almost half of the world's total imports. The remaining principal importers were largely European countries. The longest and finest staple cotton, excluding the specialised Sea Island (West Indies) varieties which are considered super qualities, are produced in Egypt, while the medium qualities are produced in the U.S.A. and Brazil. The coarse and short-staple varieties are produced mostly in India. Between these two extremeties lie the rest of the varieties grown in the different countries. The Egyptian varieties which are reputed for their length of staple and fineness of quality come next to the Sea Island ; next in order to the Egyptian types comes the group of American cottons grown in America, Sudan, East Africa and other countries. The bulk of the cotton trade of the world is in relation to this group of American cottons. The cottons of Brazil and other South American countries are partly of the American type and partly of the Bourbon types. It is considered that these styles are the real competitors to the American product. Little is known of the Russian and Chinese cottons though in respect of the bulk of their crops they occupy positions of importance. Russia is reported to have succeeded lately in growing cotton of natural colours like grey, green, etc. Cultivation of these coloured cottons on a large scale may perhaps be accelerated as the war is now over.

The Dominion of India is now the third or fourth largest cotton producing country in the world. The present area under cotton in India is about half of the area under cotton in the U.S.A., but the production is about 15 per cent of the U.S.A. crop.

World Production, Consumption, and Carry-over

The total cotton production in the world in 1948-49 was 28.6 million bales, as compared with 25.1 million bales in 1947-48 and 29.5 million bales in 1938-39. The consumption of cotton in 1948-49 was 27.7 million bales, as compared with 28.9 million bales in 1947-48 and 30.6 million bales in 1938-39. The carry-over of world's cotton in 1948-49 (July 31st) was 15.1 million bales, as compared with 14.1 million bales in 1947-48, and 23.1 million bales in 1938-39.

The 1948-49 carry-over is equivalent to about 6½ months' consumption at the current rate.

The world output of cotton in 1949-50 is likely to be higher than 1948-49 by about 1 million bales, the acreage being also larger.

The following table shows the relative importance of India as producer of cotton in respect of acreage and yield, for the past 10 years.

Year	Area (in 000 acres)			Production (in 000 bales)		
	India	U.S.A.	Egypt	India	U.S.A.	Egypt
1937–38	25,746	33,623	2,033	5,722	18,945	2,281
1938–39	23,490	24,248	1,830	5,051	11.944	1,728
1939–40	21,580	23,805	1,675	4,909	11,816	1,801
1940–41	23,311	23,861	1,735	7,080	12,565	1,900
1941–42	24,151	22,236	1,706	6 223	10,742	1,735
1942–43	19,203	22,602	733	4,702	12,820	877
1943–44	21,086	21,652	740	5,258	11,128	740
1944–45	14,843	20,009	885	3,580	12.230	962
1945–46	14,668	17,241	1,020	3,530	9,015	1,082
1946–47	14,860	18,190	1,259	3,566	8,500	1,252
1947–48*	10,932	21,269	1,302	2,116	11,658	1,320
1948–49	11,055	22,678	......	1,864	14,868	......
1949–50	13,000 (Est.)	25,907	......	......	14,943	......

* Figures after 1947–48 relate to Indian Union only.

The acreage under cotton in the Soviet Union in 1950-51, is likely to be 41 lakhs acres, and the production 47 lakhs bales, the yield being 545 lbs. per acre. The actual yield may not be so high.

Cotton—A Cash Crop

The common crops of India fall into two groups. Those grown chiefly for sale which may be termed the cash crops, including cotton and other fibres, sugarcane, some of the wheat and oilseeds; and crops grown for food, especially, rice, *jowar*, etc. Quality is an important factor in the cash crops (but it is impossible to define it fully), while nutritive value is more important for the food crops.

The cotton crop has been on the decline since 1941-42. The total area under cotton in the Indian Union in 1947-48 was 10,932,000 acres of which 5,14,800 acres or roughly 47 per cent were under improved varieties. The area in 1948-49 was 11,055,000 acres, and yield, 18,64,000 bales.

India, which enjoys the distinction of being the birth place of cotton, grows at present mostly short and medium stapled * cotton, the finer and longer stapled varieties being mainly confined to Egypt and America. The several varieties grown in India can be grouped under two principal classes, viz. (i) the Asiatic, and (ii) the American. The area under Egyptian types is practically negligible. The bulk of Indian cotton crop is of the Asiatic class and only a fraction belongs to the American group.

Cotton under Irrigation

A rough idea of the cotton acreage under irrigation may be obtained from the following statistics which are available upto 1937-38.

	acres
Total irrigated area in India in 1937-38 under *all crops*	52,833,000
Total area under cotton in 1937-38	25,746,000
Total irrigated area under cotton in India, in 1937-38	4,555,840

In 1943-44 the *total* area under irrigation was approximately 66,000,000 acres, about 30 million acres being irrigated by canals, 30 million by wells and 6 million acres from tanks.

On an average, the production of irrigated crops per acre is 50 to 100 per cent higher than that of unirrigated crops as 4|5 of the cultivated area is unirrigated. It is roughly estimated that the provision of irrigation facilities alone can increase crop production by about 60 per cent,† and what is true of the crops generally, would also hold true of cotton.

An increase of the area under irrigation would doubtless make a tremendous difference in the yield of cotton, per acre.

Out of the total area of 11.5 million acres under cotton in the Indian Union in the 1946-47 season, only 0.8 million acres were under irrigation.

Varieties of Cotton in India

The *Asiatic varieties* are grown all over the country. They are hardy and thrive under the most varied conditions of climate and soil. The various types included in this class are as follows :—

Bengals. This is a general name given to a number of varieties grown over the whole of Northern India, from West Bengal to East Punjab. As a class Bengals are the shortest stapled cottons, ranging from $\frac{3}{8}$" upwards, with a general average of $\frac{5}{8}$".

The U.P. has developed an improved strain with a staple of 0.74" known as C. 520. This is being multiplied and distributed. The Punjab too has evolved Sanguineum, Mollisoni and Jubilee strains suitable for its *desi* cotton areas.

Oomras. This is the trade name given to cottons produced in the C.P. and Berar, Khandesh, Kathiawar, Nasik and Sholapur. The best

* "Staple" may best be defined as "the average length of the bulk of the fibres of the cotton". It is usually found by taking a tuft of cotton and after removing the short fibres by drawing the same between fingers and thumbs, measuring the average length of the fibres remaining.

† Vide Memorandum on the Development of Agriculture and Animal Husbandry in India of the Advisory Board of the Imperial Council of Agricultural Research, 1944.

known varieties of this group are *Jarilla* and *Verum* 434. An improved strain 197-3 superior to Jarilla has been evolved, but is still under experimentation on cultivators' fields.

Malvi is grown in Central India.

Dholleras. This is composed of Wagad, Lalio, Wagotar and Mathio, all grown in Northern Gujarat and Kathiawar. A new variety named *Pratap* has been evolved for the *Mathio* tract. A new strain, viz. Kalyan (K.72-2) superior to Wagotar is being distributed now in the Wagad area.

Broach. This is the cotton grown between Narmada-Mahi and Mahi-Sabarmati zones. It is reputed to be one of the finest indigenous cottons and the improved strain under distribution is *Vijaya.*

Surti. This variety is grown south of the river Narmada. The well-known 1027 A.L.F. that was given out by the Agricultural Department is being replaced by a more suitable strain named *Suyog* which combines high ginning, resistance to wilt disease and good spinning qualities.

Southerns is the trade name for the group of cotton grown in the southern part of the peninsula.

Kumptas. This is the cotton grown in the southern part of the Bombay Presidency. *Jayawant* is the reputed strain that is distributed. It is one of the best indigenous cottons. A new strain named *Laxmi* superior to Gadag No. 1 has been evolved and plans are under way to extend its cultivation.

Westerns, Northerns and Coconadas. These varieties constitute one of the biggest group of Indian cottons but unlike in other parts, the Department has made little headway in pushing its improved strains, H. I. in Westerns and N14 in Northern tracts, although it is mentioned that the latter is one of the best cottons in India.

Tinnies and Karungannies of the extreme south of the peninsula, form a group of medium stapled varieties.

Comillas of Bengal and Assam are perhaps the coarsest cottons. These are grown under primitive conditions of cultivation, on the hills near Burma border.

Americans. The introduction of the American varieties into India may perhaps be traced to the days of the East India Company when mostly New Orleans types were obtained and strenuous efforts made to acclimatise them in different parts of the country. The results of those successful efforts may be found in the development of Punjab American in the north and Dharwar American in southern Bombay and Cambodias in the South India. In the East Punjab 21 per cent of the total area of about 3,15,000 acres is under American varieties. These are 4F, L.S.S. and 216F (Hariana) cultivated in Ferozepur and Hissar districts. Among the *desis* 39 Mollisoni and M60 A2 are grown in Jullunder, Hoshiarpur, Ferozepur and Hissar districts.

Buri is the American cotton grown in Burhanpur tahsil of C.P. and Berar. Besides Buri, there is a good deal of Cambodia grown in the C.P.

Dharwar-American is one of the three American cottons originally acclimatised in India. Gadag I is the strain under distribution. In the South the famous *Cambodia*, originally introduced from Cochin China, is grown. Co_2, Co_3 and Co_4 are the quality strains evolved. The latter two are said to be the best cottons available in India. Co_3 is capable of being spun to 50s warp.

The following table gives the relative merits of some of the improved strains grown in the Union of India as regards staple length and ginning percentage :—

C.P. & BERAR	Staple	G%	MADRAS	Staple	G%
			Co. 2	1"	35
V. 434	13/16"	32	Co. 3	1"	36
Buri 107	15/16"	28	Co. 4	1 1/16"	33
UNITED PROVINCES			BOMBAY		
			1027 A. L. F.	15/16"	35
C. 520	5/8"	30	Jarilla	13/16"	35
Perso American	25/32"	32	Jayawant	7/8"	28
			Gadag	7/8"	33
EAST PUNJAB			Vijaya	7/8"	42
			Suyog	15/16"	38
L. S. S.	7/8"	31	Wagotar	13/16"	42

Production of Cotton by Varieties in the Union of India

We give below the estimates of areas and yield of cotton classified according to the trade descriptions for the years 1947-48 and 1948-49 :—

FINAL COTTON FORECAST—1947-48 AND 1948-49 (SEPTEMBER 1949)

(000's omitted)

Description	*Acreage* 1947–48	*Acreage* 1948–49	*Yield in bales.* 1947–48	*Yield in bales.* 1948–49
Bengals	824	693	215	223
Americans	208	191	33	35
Oomras	3,939	4,152	727	533
Broach	552	512	149	63
Surti	349	384	77	54
Dholleras	942	801	177	124
Others	4,118	4,822	738	832
	10,932	11,055	2,116	1,864

The following table shows raw cotton production in India from 1938-39 to 1948-49 :—

Raw Cotton Production in India

Official Estimates.
(Acreage and Yield)

—	Area (In thousands of acres).	Out-turn (In thousands of bales).	Yield (per acre in lbs.)
1938-39 (pre-war)	23,490	5,051	86
1939-40	21,580	4,909	91
1940-41	23,311	6,080	104
1941-42	24,151	6,127	101
1942-43	19,203	4,702	98
1943-44	20 938	5,258	100
1944-45	14,803	3,580	97
1945-46	14,668	3,530	96
1946-47	14 860	3,566	96
1947-48 (Union of India) ...	10,932	2 116	77
1948-49 („) ...	11,055	1,864	68

Establishment of the Indian Central Cotton Committee in 1921

A great deal of the improvement effected in Indian cottons is due to the Indian Central Cotton Committee which was established in 1921 to improve the quality of Indian cotton in particular and to promote the cause of cotton cultivation in this country in general. The Committee has rendered signal service in the direction since its inception. Its chief functions are (i) to advise the Central and Local Governments on all questions on cotton referred to it, and to suggest suitable measures for the improvement and development of the industry, (ii) to finance and to direct research work on the problems connected with the improvement of Indian cotton including investigations into the relationship between the cotton plant and its environment, the diseases and pests of cotton and the lint qualities of the existing as well as newly evolved types, (iii) to finance schemes intended to bring into general agricultural practice the results of economic importance obtained from research, and (iv) to finance schemes, wherever possible, for extension of long and medium staple cottons of improved variety and their marketing.

Funds of the Indian Central Cotton Committee must be augmented

The funds of the Indian Central Cotton Committee were derived mostly from the cess of 2 annas on every bale of Indian cotton exported from India or consumed in mills in the Provinces in India. Until the entry of Japan in the last war the Central Cotton Committee enjoyed a sound financial position with an income of 6 to 8 lakhs of rupees per year. With the entry of Japan in the last war the receipts from the cess fell off considerably and the Committee drew upon its surplus balance to continue its programme of activities. As the surplus got depleted, the Committee recommended to Government in 1945 that the rate of the cess should be doubled. Before doing so, however, the Government of India decided to make a grant from the "cotton fund" which was specially built from the proceeds of the import duty on raw cotton imposed by the Cotton Fund Ordinance, 1942.

The Government of India decided in August 1948, however, that in order to enable the Committee to have a permanent source of income, it was necessary to double the rate of cess on cotton and to permit the Committee to continue to receive the grant from the cotton fund. The Government, therefore, passed an Act in the Constituent Assembly in September 1948, seeking to increase the rate of cotton cess from 2 annas per bale to 4 annas per bale. They also amended Section 12 (2) of the Indian Cotton Cess Act which at present precludes the Committee from spending any monies received by it on development schemes.

With the passage of this Act, the amount of the cess, namely, 4 annas per bale, is calculated to bring a revenue of about Rs. 9,00,000 per year. We feel that this amount is all too inadequate for the Indian Central Cotton Committee and we strongly suggest to the Government of India the desirability of placing at the disposal of the Committee a grant of Rs. 25,00,000 per year. There is no doubt that the Committee has done valuable work in improving cultivation of cotton, and if it is allowed to continue its constructive activities for the promotion of cotton research, it will pay the country many times over in the period of 10 years. Compared to the amount spent in the U.S.A., the amount now being spent in India by the Government on cotton research, and looking to the size (21,00,000 bales) and the value (Rs. 77 crores) of the cotton crop of the Dominion of India, the grant of Rs. 25,00,000 per year on cotton research will work out to less than 1/3rd per cent of the value of the present crop. The Committee has before it several urgent schemes of research, and the problem of research has gained greater importance after the separation of Pakistan from India, due to the urgent necessity of growth of long staple cotton in larger quantities from within the Dominion of India.

It is gratifying to note that in February 1949, the Government of India made a grant of Rs. 30 lakhs to the Committee.

Great Benefit to Cotton Agriculturists

From a dispassionate review of the work of the Indian Central Cotton Committee, which has been highly spoken of by the Royal Commission on Agriculture in India and other competent bodies, it would not be incorrect to claim that the Central Cotton Committee has paid for itself many times over and that the gain to the cotton cultivator in the Indian Union in 1947-48 can be put down at the modest figure of Rs. 5.5 crores. In fact, the extra income obtained by the grower during one year (1947-48) alone was twice the total expenditure incurred by the Committee since its inception on cotton research to date. In 1948-49 India, as has been shown elsewhere, imported foreign cotton (other than Pakistan cotton) of the value of Rs. 48 crores, in addition to Pakisstan cotton of the value of Rs. 16 crores. It is absolutely essential, in the interest of self-sufficiency of India, to cover the vast areas in India with improved varieties of long staple cotton, and for this purpose nothing can yield better results than promotion of cotton research for evolving better types of cotton and extending the area under improved strains within the Dominion of India.

In 1947-48, the Indian mills depended on Pakistan cotton to the extent of 6.8 lakhs bales. This was in addition to the consumption of 6.2 lakhs bales of overseas cotton during the season.

We fervently hope that the Government of India will give their careful attention to this question of earmarking and placing at the disposal of the Central Cotton Committee funds to the extent of Rs. 25,00,000 per year for promotion of cotton research and development work.

Legislation and Central Cotton Committee's Work

By the enactment and enforcement of various legislations such as the Cotton Transport Act, the Cotton Control Act, the Cotton Ginning and Pressing Factories Act, the Indian Central Cotton Committee has endeavoured to maintain the standards of quality of cotton grown, to prevent adulteration with inferior types and to discourage the various malpractices which at present occur in a certain number of ginning and pressing factories. All these measures have prevented great economic loss to the whole country most of which fell heavily on the grower. The Committee has also succeeded in preventing growers from being defrauded when marketing their produce by urging on the Government of Bombay to pass the Bombay Weights and Measures Act, by which weights and measures have been standardized for cotton transactions in various places. The Committee realized early that for the benefit of the cultivators it was necessary to have regulated open markets for cotton in the country, and their efforts in this direction have been crowned with success by the establishment of such markets in Khandesh, Central Provinces, Hyderabad, Indore, Dhar, Baroda, Sangli and Tirupur. Jointly with the Imperial Council of Agricultural Research, the Committee financed an enquiry (costing Rs. 5,22,200) into the cost of growing cotton, sugarcane and their rotation crops in the principal cotton and sugarcane tracts of India. The Committee also directed its efforts towards the ensuring of greater accuracy in cotton statistics. But above all, the Committee conducted various scientific enquiries and practical researches on the improvement of Indian cotton by the judicious hybridization of existing strains, by the naturalization of imported ones, by the eradication of undesirable ones, by the control of cotton diseases and pests and the prevention of bollweevil by the fumigation of American cotton before entry at Bombay, which incidentally is the only port from which American cotton can be imported. Most promising results have so far been obtained from these scientific investigations, and the Committee has all along been carrying on persistent propaganda to advise the grower on suitable varieties of cotton and to show him how it will give him better monetary return than short-staple cotton. Technological research essential to securing authoritative valuation of spinning qualities of cotton and to carrying out fundamental researches on the physical and chemical properties of cotton fibres is carried out at the Technological Laboratory of the Committee at Matunga. Simultaneously, the Committee is sparing no means to popularize the use of improved varieties of Indian cotton both here and abroad and for this purpose it has been working in co-operation with the Empire Cotton Growing Corporation, the British Cotton Industry Research Association, the Lancashire Indian Cotton Committee and similar other bodies.

Under the provisions of the Cotton Control Act, the Bombay Government have assumed powers to fix in any area varieties of cotton which may be cultivated, and to prohibit the cultivation of other varie-

ties. This Act was applied from November 1944 to the Khandesh Division where Jarilla variety is the only type allowed, and the growth of any other cotton is prohibited.*

As a result of the joint efforts of the Indian Central Cotton Committee and the Agricultural Departments, a marked change has taken place in the character of the Indian cotton crop, particularly in the percentage of short and medium staple. The proportion of cotton of staple length 7|8″ and above to the total production increased from 30 per cent in the quinquennium 1922-27 to 48 per cent in the quinquennium 1939-44; the proportion in 1946-47 was 65 per cent against 67 per cent in 1945-46, and 66 per cent in 1944-45.

Let us now see the average yield of cotton in India:—

India:		Yield of cotton per acre
Average	1924-27	92 lbs.
,,	1942-45	112 lbs.
,,	1946-47	114 lbs.
,,	1947-48 (Union of India) ..	117 lbs.

The average yield per acre has risen from 92 lbs. in 1924-27 to 112 lbs. in 1942-45 and in 1947-48 it was 117 lbs. Compared with other cotton growing countries, the yield per acre in India is still extremely low and is capable of very great improvement. The average acre yields in other cotton growing countries (1946) for purposes of comparison with our own are given below †:—

	Year			
Egypt	1920	320 lbs.	Peru	359 lbs.
... ...	1937	531 ,,	Anglo-Egyptian Sudan	313 ,,
... ...	1946	462 ,,	Argentina	152 ,,
... ...	1947	442 ,,	Soviet Union ...	322 ,,
U.S.A.	1920	187 ,,	Brazil	127 ,,
... ...	1937	266 ,,	Uganda	80 ,,
... ...	1946	269 ,,	Br. West Indies ...	120 ,,
... ...	1947	265 ,,		

Long-stapled Cotton in India

We have already referred to the successful efforts of the Central Cotton Committee in the introduction of several improved varieties of cotton. The continuation of the war and the demand for increased quantities of stapled cotton gave a great stimulus for the spread of the better varieties. This was particularly noticeable in the Oomras tract where the new type, Jarilla had swept off practically all the inferior types and occupied a phenomenal area of over 20 lakhs acres in almost record time. The area under the improved varieties shot up from 5,663,000 acres, or 24 per cent of the total cotton acreage in 1938-39 to 8,320,000 acres or 56 per cent of the total in 1946-47.‡

* *Vide* "Agricultural Situation in India", for May 1948, published by the Ministry of Agriculture.

† *Industrial Fibres*—C.E.C., London, 1948.

‡ *Vide* I.C.C. Report for 1947, p. 50.

The area under improved varieties of cotton in the Indian Union in the 1947-48 season was 5,148,000 acres, or equivalent to 47 per cent of the total area.

Jarilla Cotton

The noteworthy features of the Jarilla cotton are that it is resistant to the wilt disease, is medium stapled, the range of lint length being $\frac{3}{4}''$ to $\frac{7}{8}''$, capable of spinning 24s warp compared with $\frac{1}{2}''$ staple and 10 to 12s spinning capacity of the susceptible local mixed Oomras crop. Besides it is said to be a hardy type which can withstand drought conditions and early maturing. There are, however, doubts expressed in some quarters whether it can thrive equally well in areas receiving a heavy rainfall. This is a matter for investigation and the tracts suitable for growing this excellent cotton should be de-marketed. Efforts should also be made at the same time to evolve a type which can stand the rains, as otherwise there is a danger of its becoming unpopular with the growers in years of heavy rainfall. This is an urgent problem which we commend to the attention of the authorities.

The multiplication and distribution of pure Jarilla seed have been taken up by the Provincial Agricultural Departments with the aid of funds provided by the Central Cotton Committee. The area under Jarilla in Khandesh in 1947-48 was estimated at about 230,000 acres. The spread of Jarilla in Berar has been even more phenomenal; it was 1,354,000 acres.

Development of Cotton in Bengal

In Bengal, where practically the whole of the cotton-growing area is under a coarse type known to the trade by the name of Comillas (*G. cernuum*), the Committee had financed a breeding scheme for the improvement of the commercial characters of *cernuum* cotton by the isolation of a coarse, high ginning and good yielding strain, suitable for mixing with wool. The Committee is also giving assistance in connection with a scheme financed jointly by the Provincial Government and the Millowners' Association, Bengal, for investigating the possibilities of growing long-staple cotton in certain highland areas of Bengal. The varieties of cotton being tested are the acclimatized American and the Egyptian cottons. Dacca Parbhani is said to stand up to the conditions obtaining in Bengal quite well and is reported to have given satisfactory results both in respect of yield and quality during the past three years. During 1942-43, this variety is reported to have given at two centres, on an average 740 lbs. and 620 lbs. of Kapas per acre.

The question of extending the area suitable for cotton cultivation in West Bengal will have to be re-examined and a proper scheme formulated, due to the partition of India in August 1947.

More Long-Staple Cotton—Development in Madras

As a result of all these efforts of the Indian Central Cotton Committee the staple length of the Indian cotton has been continually on the increase. Not only that, production of cotton of longer staple has also made rapid strides in recent years.

The present position is that we have improved strains of cotton developed for almost all the cotton tracts of India and a stage has now been reached when we feel that the present efforts at multiplication and distribution of these varieties should be speeded up so that all the areas are covered by them completely in as short a time as possible. There is otherwise the danger of all this good work of several years being spoilt by the inevitable mixing with the inferior *desi* cottons, that are so unfortunately persisting in all parts of the country. Single strain blocks should be created and maintained. Mixing of different varieties before the cotton reaches the mills should be made a penal offence. This is an urgent necessity of the industry, and we suggest that it should receive immediate attention.

In 1948, the Indian Central Cotton Committee prepared several schemes for improving cottons in Madras, one of which dealt with the evolution of long staple cotton in the Central districts and the trial of Sea Island cotton in the West Coast districts.

The Ministry of Agriculture appointed a Cotton Marketing Committee to suggest ways and means of improving the marketing of cotton. The Committee is expected to submit its report by the end of 1949, in regard to the methods of benefiting cultivators of cotton by reducing the links between the grower and the textile mills.

Cotton Seed

The bulk of cotton seed is fed to cattle in India. The experiments financed by the Indian Central Cotton Committee have shown that so far as quality of the milk, ghee and butter produced by the group of animals fed on fuzzy cotton seed is concerned there was no distinguishable difference in taste or palatability from similar products from the buffaloes fed on ordinary rations. It was also proved that the feeding value of fuzzy seed is greater than that of ordinary seed.

Consumption of Indian Cotton by Mills in India

There is a great increase in production of Indian mills and there is difficulty in obtaining Indian cotton in recent years. The consumption of Indian cotton in the cotton year ending August 1946 was 3,871,000 bales, while for the year ending August 1945, it was 4,159,000 bales, and 4,119,000 bales in 1943-44, 4,307,000 bales in 1942-43 and 4,025,000 bales in 1941-42. The consumption of Indian cotton during 1946-47 was 3,151,000 bales.

The consumption of Indian and Pakistan cotton in mills in the Indian Union in 1947-48 was 3,573,000 bales of 392 lbs. each.

The consumption of Indian and Pakistan cotton in the Bombay Island during the year 1947-48 was 1,006,000 bales, as compared with 859,000 bales in 1946-47.

Statistics of Stapled Cotton in India

The following table shows the different staple lengths of the cotton produced in this country during the past 10 years :—

	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48*
Total ...	5,051	4,909	6,080	6,223	4,702	5,258	3,580	3,530	3,566	2,116
Long staple over 1 inch ...	72	66	94	156	273	372	187	83	2,318	386
Long staple 1" & Medium staple ⅞ inch ...	1,790	1,794	2,151	2,690	2,617	2,941	2,165	2,287		
Short staple below ⅞ inch ...	3,189	3,049	3,835	3 377	1,812	1,945	1,228	1,160	1,248	1,730

* *Relates to the Union of India.*

With the partition of the country in August 1947, large tracts growing mainly long and medium staple cottons fell in the territory of Pakistan, and as a result, in so far as the production of cotton of the Indian Union alone is concerned, there was a drop in the percentage of *long and medium staple cottons as compared* with the total crop of the Indian Union. Further, on account of re-classification of Indian cotton, which became necessary, in view of the changes that had taken place in the character of the cotton crop of the country in recent years, and which was given effect to in March 1948, certain varieties of cotton which were previously included under the group ⅞" and above, have *now been relegated to the group below ⅞". As a result, the production* of cotton of staple length ⅞" and above (under the revised definition) has gone down to 3,86,000 bales.

Imports of Raw Cotton in India

The volume and character of supplies of foreign cotton in India have been fluctuating during the last seven years in accordance with the changing war situation, the varied acreage and crop policies adopted by the producing countries, the size of their crops and the availability or otherwise of shipping facilities and since August 1947, due to the separation of Pakistan. The total imports of foreign cotton by sea were lowest in 1943-44 (being 76,102 tons as compared with 87,575 tons in 1942-43). During 1944-45, 1945-46, 1946-47, and 1947-48, the imports were 89,717, 86,009, 113,002, and 99,044 tons respectively. The value of the imports was 24 crores of Rupees in 1944-45, Rs. 22 crores in 1945-46, Rs. 25.9 crores in 1946-47, and Rs. 31.2 crores in 1947-48 (*vide* Table No. 3).

In bales, the import of raw cotton in 1948-49 was 9,06,000.

In view of the great decline in production of cotton, within the Union of India, and the large consumption by her mills, the 1949-50 season opened with stocks at an unprecedentedly low level, and unless the production increases greatly, an even larger import will be necessary from Egypt or Pakistan, to maintain consumption at the present level. The *import from Pakistan is likely to be small, due to the de*valuation of the Indian Rupee in terms of the Dollar, from September 1949, particularly because Pakistan has not devalued her currency, and therefore that cotton has become dearer in price.

Duty on Imported Cotton

The present duty on imported raw cotton is 0-2-0 per lb.

Indo-Pakistan Agreement

In any case, it will be long before India can produce enough quantities of these finer varieties and as such it seems that for a long time India will have to depend on imported cotton, and particularly from Pakistan which is now a foreign territory. Although an agreement was concluded with Pakistan in June 1949 for supply of 6½ lakhs bales of cotton, it is doubtful whether more than 2 lakhs bales will actually arrive for various reasons, political and commercial. The devaluation of Indian currency from 19th September 1949, will cause further difficulties in imports of Pakistan, and in October 1949, India had decided not to buy any Pakistan cotton, unless certain conditions were fulfilled.

During 1949-50, India has an agreement with Pakistan to import 4½ lakhs bales, but it is not likely to be implemented fully.

The estimated capacity of production of cotton in Pakistan was about 16.7 lakhs bales, of which 13.8 lakhs bales represent long and medium staple and 2.9 lakhs bales short staple. The estimate for 1949-50 was only about 9 lakhs bales, as compared with 8½ lakhs in 1948-49. The acreage is about 30 lakhs.

As against this, out of the Indian Union's production of cotton of about 21 lakhs bales, 12 lakhs bales represent long and medium staple, and 9 lakhs bales short staple.

The following table shows the consumption of cotton—Indian and Foreign—in mills from 1941-42 to 1947-48 :—

Consumption of Cotton (Indian and Foreign) in Mills in India

Period	Indian Cotton	Foreign Cotton	Total
	(Bales of 400 lbs. each)		
1941-42	4,025 395	571,222	4,596 617
1942-43	4 306 831	568,170	4,875 001
1943-44	4,119,461	664 468	4,783 929
1944-45	4 158,664	685,212	4,843 876
1945-46	3 871,022	604 650	4,475 672
1946-47	3,150,852	708,370	3 859,222
1947-48*	3,573,207	516 245	4 089,452

Exports of Raw Cotton

It is well known that with the entry of Japan into the war, cotton exports from this country had been badly affected. This will be borne out by the following figures. The total exports declined from 2,348,000 bales in 1939-40 to 2,013,000 bales in 1940-41 and 873,000 bales in 1941-42. They dwindled sharply to only 160,000 bales in 1942-43. In 1943-44 the total exports were 383,000 bales and in 1944-45, 409,000 bales. They increased to 1,038,000 bales in 1945-46, and fell in 1946-47 to 1,008,000 bales. In 1947-48, the exports from the Indian Union only amounted to 951,000 bales, and indeed in 1948-49, fell to 426,000 bales. The exports to U.K. also declined from 555,000 bales in 1941-42 to 115,000 bales in 1942-43. In 1943-44 and 1944-45 exports to U.K. were 243,000 bales and 188,000 bales, in 1945-46, 131,000 bales, in 1946-47, 195,000 bales, and in 1947-48, 79,000 bales. The value of exports of raw cotton during 1944-45 was 6.9 crores of rupees, in 1945-46, 13.9 crores of rupees, 1946-47, 22.5 crores of rupees and in 1947-48, 24.7 crores of rupees. (*Vide* Table No. 4.)

* Relates to Indian Union only.

Export Duty on Indian Cotton

With effect from October 1946, the Government of India imposed an export duty of Rs. 20 per bale. This was increased to Rs. 40, in January 1948, and is the same at present.

Cotton Exports from India—Restriction of Export in 1948 and 1949

We give below a table showing the number of bales of cotton exported out of India from 1938-39 to 1947-48 :

(In thousands of bales)

1938-39	3,274
1939-40	2,340
1940-41	2,013
1941-42	873
1942-43	160
1943-44	383
1944-45	409
1945-46	1,038
1946-47	1,005
1947-48 *	951
1948-49 *	426

Since the 2nd April 1948, the Government of India banned the export of raw cotton except the four short staple varieties—Bengal Deshi, Mathia, Assams and Comillas. In August 1948, the Government of India reviewed the existing restrictions on the export of raw cotton and decided to continue for the present this ban which was brought into effect from April 1948.

With effect from the 15th March 1949, the Government of India decided *not to issue licences for the export of raw cotton except to hard* currency countries.

Money Value of Indian Cotton Crop

The money value † of the 1947-48 cotton crop of the Indian Union alone is roughly estimated at Rs. 77 crores, as compared with Rs. 89 crores in 1946-47 and Rs. 75 crores in 1945-46 for undivided India.

Fixation of Floor and Ceiling Prices of Indian Cotton in 1948

It was in August 1948, that the Government of India decided to control prices of raw cotton. They fixed the floor prices of 1948-49 Jarilla of 25/32" staple at Rs. 495, and ceiling at Rs. 620 per candy. The Government also announced their intention on 1st September 1948, of purchasing cotton at the floor prices, in the interest of cotton growers.

In May 1949, the Government of India made an announcement fixing the same floor and ceiling prices for Jarilla of 25/32" stable for *1949-50, as in 1948-49, but in order to encourage increased production* of superior varieties, increases were made in the premium for better qualities (*vide* " Cotton Industry at a Glance ", page xxiii) for cotton prices for 1949-50. It should be noted here that the prices for cotton

* Relates to Indian Union only.

† *Indian Cotton Review* for 1947-48.

were fixed in relation to the prices for foodstuffs, in order not to disturb the plans for increased food production in the country.

Due to devaluation of India's currency, to the extent of 30½ per cent from 19th September 1949, and the higher prices of foreign cotton, prices may have to be revised before long.

Mill Consumption of Indian Cotton from 1931 to 1948

The table below shows the percentage of Indian cotton consumed by mills during the past few years :—

Year	Quantity of Indian Cotton Consumed by Mills (In 000 bales of 400 lbs.)	Percentage to total Crop of Cotton in India	Total Quantity of Cotton Consumed by Mills in India (In 000 bales of 400 lbs. each)
1931-32 ...	2,346	58.6	2,911
1932-33 ...	2,361	51.1	2,837
1933-34 ...	2,336	46 2	2,704
1934-35 ...	2,612	54.5	3,123
1935-36 ...	2,678	45.6	3,181
1936-37 ...	2,633	42.2	3,147
1937-38 ...	3,000	52.4	3,663
1938-39 ...	3,151	62.4	3,811
1939-40 ...	3,050	62.1	3,680
1940-41 ...	3,617	59.5	4,251
1941-42 ...	4,025	64.8	4,741
1942-43 ...	4 307	89.5	4,890
1943-44 ...	4,119	78.3	4,845
1944-45 ...	4,159	(a)	4,909
1945 46 ...	3,871	(a)	4,550
1946-47 ...	3,151	88 4	3,859
1947-48 † ...	3,573	(a)	4,089

† Relates to Indian Union only.
(*a*) Consumption in excess of the year's production.

We would invite our readers' attention to the tables in the *Cotton Industry at a Glance*, pp. i-ii.

New Hedge Contract—Revised in September 1948

The Indian cotton contract now in force was revised on 9th September 1948.

Self-sufficiency of Raw Cotton essential for the Union of India

We now propose to discuss the possibilities and methods of replacement of the quality and quantity of raw cotton as a result of the exclusion of the Dominion of Pakistan which was a very important unit in the total production of cotton. Of the all-India production of cotton in 1945-46, namely, 34,38,000 bales, the long and medium staple constituted nearly two-thirds, or 22,34,000 bales, and out of this the production of long and medium staple cotton in Pakistan was 11,50,000 bales, roughly 51% of the total production of long and medium staple cotton in all-India. The immensity of the problem would be realised when it is noted that we have to replace this huge quantity of long staple cotton from within the borders of India in the immediate future. While attempting to realise this immediate objective, namely, production of 11½ lakhs bales of such cotton, which correspond roughly to 33% of India's entire cotton crop, we should not lose sight of the fact that even this produc-

tion, if achieved, will still keep us far away from the ideal of self-sufficiency in the matter of cotton to meet even the minimum requirement of cloth of the Indian population at its present level of 12 yards *per capita*. At the present time, about 34½ lakhs bales of Indian cotton are required by the mill industry and for extra factory consumption. The internal production of the Union of India is only about 21 lakhs bales, and there is thus a shortage of about 13 lakhs bales.

Our target in respect of production of raw cotton can be aimed at (1) replacement of the quantity lost by the exclusion of Pakistan, or (2) production of suitable quantity for keeping our mills engaged to their maximum capacity, or (3) production of a still larger quantity which will be required for supplying the minimum clothing necessary for the total population of the Indian Dominion according to international standards. For the short-range programme we can concern ourselves with the first objective as the latter two objectives are in a sense idealistic and may well be aimed at as part of the long-range programme before the country. Our immediate short-term programme would, therefore, be a replenishment of the loss of cotton which was available so far from Pakistan as we cannot depend on supplies from Pakistan which may establish her trade relations with other countries for reasons of diplomacy or currency.

The short-term policy can be, implemented by three or four methods. An easy method which would naturally strike one is an increase in the area under cultivation from 11½ lakhs acres to about 16 lakhs acres, but in doing so there would be serious difficulties in encroaching upon land under food-crops, in view of the pressing food requirements of the country. We would, suggest, therefore, that the first practicable method of relieving the situation is to undertake an *intensive* cultivation of the areas already under cotton.

It is gratifying to note, however, that there is a welcome change in the attitude of the Government, after the devaluation of Indian currency, and the increased difficulty of getting cotton from Pakistan, after September 1949, and this leads one to hope that there may be a progressive increase in the acreage under cotton, with a view to achieve the goal of self-sufficiency, and to earn some dollar exchange even by the export of the short stapled variety to hard currency countries.

Looking at the average acre yield of India and comparing it with the yields in other progressive countries, one cannot but be struck by the huge scope that this method offers for immediate achievement of the ideal of higher production by proper manuring and judicious adjustment of cultivation practices. While the average yield per acre in India is only about 117 lbs., the yield in U.S.A. is 266 lbs., in Egypt 313 lbs., in the Soviet Union 322 lbs. per acre. There are vast technological possibilities of improvement in yield and quality, which should be explored immediately.

The second method is by the *extension of cotton cultivation to areas on the mountain slopes and valleys*, where several varieties, especially long stapled perennials, could be cultivated as plantation crops.

The third method is the *introduction of cotton as a rotation crop in paddy lands*, thus utilising the land which would otherwise lie fallow

after harvest of paddy, while the fourth is the *replacement of the existing short staple variety by superior quality strain where such types are already evolved.*

All the four methods by which our ideal of immediately supplanting the production of Pakistan cotton could be attained have to be translated into a direct plan of working a rough outline of which we give in the following paragraphs.

Firstly, we would suggest *the enforcement of legislation* by the proper Provincial and State Governments for demarcating *single variety tracts*, as for instance, the Khandesh Jarilla tract, in each Province and State, and the banning of cultivation of all varieties other than the principal ones, in the interest of production of a higher uniform quality of cotton which would benefit the grower, the trader and the manufacturer equally.

Secondly, we would suggest that adequate supply of manure should be made available by pooling all our resources, *primarily* in all localities where cotton is cultivated *under irrigation*, namely, the Madras Cambodia Tracts, the Mysore Irwin Canal Tracts, and the Canal Irrigated Area in East Punjab, in view of the fact that the response of the crop to manure in irrigated tracts is expected to be greater than in the rain-fed areas, and also by a general distribution of manure in the rain-fed tracts.

Thirdly, we would suggest the immediate replacement of short staple cottons by the improved strains already evolved for Mathia, Wagad, Kumpta, Gadag, C.P. and Berar and the Ceded Districts, comprising Westerns, Mungari, and Northerns Tracts. Superior varieties like Kalyan in the Wagad Tract and Pratap in the Mathia Tract in Saurashtra, Jawahir in Kumpta Tract, Subash in Gadag Tract, and other important types in other areas could be easily grown.

It should be appreciated that in all places, e.g. Bombay, it is not possible to substitute long staple varieties easily. On a rough estimate, however, these measures would result in an extra yield of about 8 lakhs bales of medium and staple cotton types within a period of 3 to 4 years.

Finally, we would suggest an undertaking by Government of distribution of pure selected seed for cultivation through Provincial Departments. This should be one of the main planks of the plan to be undertaken for meeting the deficit of cotton of the required quality within the country.

A whole-hearted implementation of the programme on the lines outlined above would not only change the face of the Indian cotton but would also contribute in a large measure to the improvement of the production position of cotton in India.

It is also essential that if this object is to be attained within a measurable period of time, the officers and the people concerned should be fired with a spirit of zeal and enthusiasm for working on the different aspects of the plans simultaneously. A greater co-ordination in the departmental machinery will be absolutely essential and vital for the achievement of the target laid down.

If the goal of production of the entire requirement of cloth of the people from within the country is accepted, it would be necessary to retain a larger portion of even our short staple cotton, and with a view to providing all Indian Mills and the hand-spinning industry with the necessary raw material, it would even be necessary to ban export of cotton which is capable of spinning 15's and over. Such restriction on the raw cotton export would be essential for ensuring that the raw material position of the textile industry is not jeopardised.

If the indigenous raw cotton is thus conserved it would mean a definite encouragement to the hand-spinning industry, which would be welcome for this would afford a solution to the problem of unemployment and under-employment of millions of agriculturists in the country, who would be provided with a part-time occupation from which they could supplement their meagre income. Mahatma Gandhi laid great stress on encouragement of hand-spinning, and the utilisation of the short staple cotton crop in adjacent areas for hand-spinning purposes.

Fresh Study of the Problem of raw cotton in the Indian Union needed

We therefore suggest that the problem of production of raw cotton in the country should be studied in an expert manner, in relation to the needs not only of the cotton textile industry but also of the hand-spinning industry, which is a vital and well spread cottage industry in the village economy of the country with potentiality of further development, in the present world conditions of insecurity and shortage of raw cotton, and on the basis of the data available suitable steps should be taken for production of such quality of raw cotton *as could be processed within the country.* Under present conditions, it is also difficult to count upon an uninterrupted supply of foreign long staple cotton to any large extent due to the price factor, currency factor, difficulties of procurement as a result of world shortage, absence of peaceful conditions, restrictions, etc. With the devaluation of her currency in relation to the Dollar to the extent of 30½ per cent by India, from 19th September 1949, cotton imports from Dollar areas will be considerably costlier, and particularly from Pakistan which has not devalued her currency.

We fervently hope that the National Government will concentrate their efforts on translating to the cultivators' fields the technological potentialities of improvement both in respect of yield per acre and quality, with a view to reducing cost of production and increasing the total yield so as to bring the Indian cultivation on a par with the various other progressive cotton growing countries of the world.

Raw Cotton and Cotton Industry in Egypt

It will be interesting to note the position of Egypt in regard to her raw cotton textile industry. Egypt has 21 spinning and weaving mills. The spindles number 5,10,000 and the mills' annual consumption of cotton is estimated at 2,75,000 bales of 400 lbs. each. The main difficulty of Egyptian mills is that they use Egyptian cotton which is too good and too dear for the type of goods her people can afford to buy. The production capacity of her industry is now reported to be exceeding her total needs by a fair margin, estimated variously between 15 per cent and 25 per cent. Mills are finding difficulty in making both ends meet

and have requested Government in the latter part of 1949 to take over and run their concerns due to the prohibitive prices of the raw material. Government are reported to have come to the help of the losing mills by supplying cotton from their own stocks at reduced prices. A proposal is under consideration for giving a subsidy to the exporting spinners when their profit does not exceed 4 per cent. It is also suggested that there should be no import of textile machinery in the country, except for replacement. Meanwhile a certain section of the public appears to favour imports of low priced short staple Indian cotton into Egypt as that would enable the mills there to work more efficiently.

Cotton is the mainstay of Egypt. It occupies 1.3 million acres, or roughly 30 per cent of the total cultivated area in that country. The average yield of about 500 lbs. of lint per acre is the highest in the world. 75 to 80 per cent of the cotton is usually exported. India stands second in the list of countries importing Egyptian cotton.

Cotton rayon prices—Relationship and Competition

It would be interesting to see the relationship between cotton and rayon prices, as it is the determining factor in the textile industrialists' preference for one or the other fibre. During the 1948-49 season Viscose Rayon Staple cost the textile mills less than the base type of American cotton in the U.S.A., U.K. and France. Cottons longer in staple than the base type, being higher priced, are at a somewhat competitive disadvantage. Throughout the greater part of 1949, the prices for rayon staples and yarns in the major textile manufacturing countries were generally lower than the prices of cotton staples and yarns. The demand for rayon was in excess of the supply. The world's production of rayon in 1948 exceeded the 1939 level by 10 per cent. The global production capacity early in 1949 was estimated to be about 50 per cent greater than in 1948. Rayon producers have been reducing prices for both rayon staple and continuous filament yarns. Rayon manufactured goods are now selling at lower levels. Thus a period of intensive competition between cotton and rayon has been entered.

World Fibre Production

It will be interesting to see here the change in production of various fibres in the world which is reaching pre-war level.

Nine-tenths of world fibre production consists of natural fibres (cotton, wool, silk, flax, hemp, and jute, and the three major hard fibres) but synthetic production has resumed a strong upward trend.

We give overleaf, a table showing the production of various kinds of fibres, for 1947-48 and 1948-49, as compared with the pre-war period.

Rayon and Nylon are making a great headway with cotton and a competition may be expected at an early date.

WORLD FIBRE PRODUCTION §

—	QUANTITY ('000 Metric Tons)			INDEX (1934—38=100)	
	1934-38	1947-48	1948-49*	1947-48	1948-49*
1. Cotton	6,651	5,513	6,281	83	94
2. Wool (clean)	943	928	948	98	101
3. Raw silk	54	13	13	24	24
4. Flax	790	350	450	44	57
5. Hemp	454	267	345	59	76
6. Jute	1,875	1,568	1,391	84	74
7. Hard fibres†	522	456	483	87	92
8. Rayon, filament yarn	446	595	706	133	158
9. Rayon staple fibre	186	308	417	166	224
10. Nylon‡	...	20	30	...	...
Total ...	11,921	10,018	11,064	84	93
Natural fibres (1 to 7)	11,289	9,095	9,911	81	88
Synthetic fibres (8 to 10)	632	923	1,153	146	182
Mainly apparel (1 to 4 and 8 to 10) ...	9,070	7,727	8,845	85	97
Mainly industrial (5 to 7)	2,851	2,291	2,219	80	80

* Preliminary. † Abaca, sisal, henequen. ‡ Approximate estimates. § Cotton, wool and jute for production season; silk, flax, hemp, hard fibres, rayon and nylon for calendar years.

***P.S.*—**

SPEEDY MEASURES FOR DEVELOPING PRODUCTION OF RAW COTTON IN INDIA

As a result of the decision of the Pakistan Government not to devalue her rupee, as India did, with effect from the 19th September 1949, the need for rebuilding efforts to produce in greater quantities the varieties of cotton we have been importing from that country and thus secure self-sufficiency in the shortest possible time has become still more imperative, as was observed by Sir Datar Singh, Chairman of the Indian Central Cotton Committee, at their meeting held in Bombay on the 14th October 1949. It was also stated that the output of cotton in the Indian Union at present varied between 2.3 million bales and 3.2 million bales, as against her requirements of 4.2 million bales. Plans were, therefore, being evolved to replace short staple cotton by long staple cotton in 3 lakhs acres, and to distribute about 15,000 tons of ammonium sulphate for manure purposes to about 3,75,000 acres of irrigated land.

CHANGE IN RAW COTTON EXPORT POLICY

The production of short staple cotton in India is about 1,92,000 bales. During the war we had the problem of this "orphan" cotton which could not be used within the country, and for which the usual market, Japan, was closed. It appears, therefore, that there is not much advantage in growing large quantities of such short staple cotton and depend on its being exported, with a view to earn foreign exchange. It would be better to utilise whatever acreage can be devoted to cotton, in growing only varieties likely to be useful to the Indian mills. Thereby we can reduce our import of long staple cotton from foreign countries to the maximum extent. For sometime to come, however, India will have to grow some quantity of short staple cotton, which alone can be grown on some fields, and to depend upon export markets, which should be done in so far as the position is inevitable.

APPENDIX B

INDIAN HANDLOOM WEAVING INDUSTRY

The Handloom Weaving Industry of India has found itself in doldrums from the commencement of the year 1949. Its position in the past 3 or 4 years did not cause any anxiety because due to the prevalence of control on the Cotton Mill Industry of India and the rationing of mill cloth, the handlooms, were able to meet the requirements of additional cloth of the people, and in fact the handloom cloth came in very handy to relieve the situation of the shortage of cloth experienced by a large section of the people who were used to consuming cloth in quantities far higher than were available under the rationing system. Apart from this, another advantage which handloom cloth had over the mill cloth was in respect of price. While prices of mill cloth were controlled, there was no such control over handloom cloth prices. The consequence was that handloom cloth could be sold at far remunerative prices. If anything, during this period there was larger demand for supply of yarn by the handlooms, and indeed, in some areas larger number of looms were also pressed into use, some being old looms which were not in service, and some being new looms. At one stage there was vociferous demand from the handlooms for supply of larger quantities of yarn, either mill-made or imported, which could not be arranged. Indeed, the post-war textile expansion plan of 1946 made provision for reservation of 25% of the new spindles to be installed, for supply of yarn to the handloom industry.

Some help was provided to the handloom weaving industry by giving it exemption from the export duty on cloth which was imposed at the rate of 25% *ad valorem* from the 1st March 1948, under the Indian Finance Act, 1948. It would be necessary to observe here that this export duty on mill cloth was reduced to 10% *ad valorem* in November 1948, and was abolished altogether with effect from the 1st June 1949, in order to stimulate exports. During this period export of handloom cloth was facilitated by removal of restrictions over quantities or periods at various stages, to Pakistan as well as other foreign countries, with a view to enable the handloom industry to reduce the burden of the heavy stocks that had accumulated at various times. As a matter of fact, an agreement was also entered into between India and Pakistan in August 1949, whereby Pakistan was to issue freely licences for import of lungies and other types of handloom cloth upto 2,000 bales, from India. This arrangement was to remain in force upto the 31st December 1949. However, as a result of the alteration in the political situation, export of piecegoods from India into Pakistan has now been completely stopped, and this has been responsible for the accumulation of large stocks of lungies and other qualities of cloth intended for export to Pakistan.

Another direction in which the handloom cloth has acquired some advantage over the mill cloth is in respect of the excise duty on mill cloth imposed in India from the 1st March 1949, at varying rates. The present position of the excise duty on mill cloth is as under. (1st December 1949) :

Superfine Cloth	.. 25%	of ex mill price
Fine Cloth	.. 6¼%	of ex mill price
Medium and coarse cloth	.. 0-0-3	per yard.

As stated above, powerloom and handloom cloth is exempt from this duty. According to the statement of the Hon. Minister for Industry and Supply, made in September 1949, this excise duty will not be revised in the current financial year, that is 1949-50. The existence of this duty thus offers some advantage in the matter of price of handloom cloth over the mill cloth, particularly in the finer qualities.

Still another concession which has been given to the handloom cloth from November 1949, relates to reduction in the rates by Passenger or Parcel trains to half rates at owner's risk, and making the rates for press-packed bales applicable to handloom cloth not so packed. These rates will be effective till March 1950, when they will be reviewed. (*Vide* Press Note of 19th October 1949).

Having given some preliminary idea of the important factors which affected the handloom industry during the current year, we will now turn our attention to other problems. At the outset it must be observed that the problems of the industry today are not relative to shortage of yarn or other raw materials, as was the case during the last 2 or 3 years, but are entirely different. For instance, there has been a very great accumulation of stock during the year 1949, as a result of the reduction in the total demand of cloth in the country, due to the fall in the purchasing power of the people, the fall in exports to countries like Pakistan, Burma, Malaya, Ceylon, Middle East, etc., and the larger availability of mill cloth which followed the removal of rationing in various parts of the country. As a matter of fact, the demand for cloth has slackened considerably, and both mills and handlooms were in considerable difficulties during the best part of the year 1949 due to accumulation of heavy stocks with them. The position is slightly correcting itself as a result of the relaxation and removal of various kinds of control by Government, with a view to ease the situation.

In fact, during the year 1949, the main problem before the handloom industry was how to utilise all the yarn made available to it by the mill industry at the approximate rate of 85,000 bales of 400 lbs. each per month. This is the monthly free yarn allotment to the various Provinces and States made by the Textile Commissioner for the handlooms, powerlooms, hosiery factories, etc.

The actual utilisation figures per month since the beginning of the year 1949, in respect of the above allocation of yarn by mills were as mentioned below :—*

January	1949	.. 76,000	Bales
February	"	.. 65,000	"
March	"	.. 96,000	"
April	"	.. 85,000	"
May	"	.. 75,000	"
June	"	.. 67,000	"
July	"	.. 65,000	"
August	"	.. 60,000	"
September	"	.. 55,000	"
October	"	.. —	"

* A table is given in the Appendix showing average deliveries of yarn by counts to various areas from August 1948 to July 1949.

It will be seen from the above that almost every month, particularly since May 1949, considerable quantities of yarn are not utilised by the handlooms, and there is indeed a glut of yarn meant for the handlooms lying with the mills due to the incapacity of the handloom industry to utilise it. As a matter of fact, there is a lot of stocks of yarn with the mills which the Provincial Governments and States and their buying nominees have not yet cleared. This has given rise to the demand of the mills that yarn should not be imported free of duty any longer, at least cotton yarn, as is being done since September 1948. The quantity lying with mills in October 1949, was estimated at 150,000 bales. It is also clear from the above figures of the utilisation of yarn that there has been a fall in the demand for handloom cloth and that the loss of the Pakistan market has aggravated the difficulty. On top of this is the fact that prices of handloom cloth have fallen along with the prices of mill-made cloth, more or less due to the general slackening of consumer demand in the country in 1949.*

The output of handlooms definitely suffered a decline during the year 1949. In this context it should not be forgotten that the cost of production of handlooms is definitely on the high side, mainly owing to the high price of the raw materials, in which the price of yarn is a major factor. Although the present yarn prices are based on the findings of the Tariff Board and must be considered fair, we would like to point out that normally the handloom weaver gets his yarn at prices much higher than the ex-mill prices of yarn due to the number of middlemen, Provincial Government agencies, etc., through which it has to pass before it reaches the handloom worker, and in some cases the rise in price is of the order of 12½% to 15% over the ex-mill price. This makes the handloom cloth necessarily dearer and steps should be taken to reduce the distribution charges of yarn to the minimum, by the utilisation of co-operative societies, and, if necessary, even by subsidising such co-operative societies as regards their overheads, for some time.

Whilst on this subject we would like to point out that during the months of June to September 1949, in several places mills were prepared to supply yarn to the handlooms at prices even lower than the prices fixed by the Government, in their anxiety to clear their stocks.

Powerlooms

A serious competitor to the handloom industry is the small powerloom factory. In Surat, Ichalkaranji, Mysore, Calicut, Madura, Madras, and other places, it is an expanding industry, and it has the added advantage that the production from it is slightly better in appearance and finish than handloom varieties, though perhaps, a little inferior to the mill-made ones. In other words, the powerlooms occupy a position intermediate between the handlooms and the mechanical mill looms. The powerloom has expanded considerably during the last decade, and the number of such powerlooms may be estimated at the present time at about 22,000 spread all over the country. One distinguishing feature of this small powerloom industry is that unlike the handloom cloth, its

* After devaluation of the rupee from the 19th September 1949, the export demand for cloth has been very encouraging, and presumably handloom fabrics will also benefit by the expansion in exports.

production is to be tex-marked. This industry has not, however, been compelled to submit returns like the Cotton Mills of India.

The question has sometimes been raised whether powerloom cloth offers a very serious competition to the handloom cloth. The Fact-Finding Committee pointed out that in normal times the powerloom would certainly be a serious rival to the handloom. Till the year 1948, however, the question was only academic as the handlooms experienced no difficulty in the sale of their production, due to the general scarcity of cloth in the country and the prevalence of rationing of mill cloth, although their prices were slightly higher than those of powerloom cloth. But the situation has changed since the beginning of 1949, and the handlooms have not been able to sell all their production, and are indeed compelled to reduce their quota of yarn available from the mills. During the last few months, as a result of the non-utilisation of the quota of yarn available by the handlooms, the small powerloom factories which were working on silk yarn or artificial silk yarn, were encouraged to take cotton yarn quotas meant principally for the handlooms. It is a moot question how far it would be ethical and practical to discourage these powerlooms by restricting their supplies of cotton yarn, if and when the handlooms are again in a position to take their full quota of yarn. It is a matter which should engage the attention of the Government of India in due course, although at the present time this does not constitute a problem, as plenty of yarn is available both for the handlooms and powerlooms, and even so there is a surplus of yarn unutilised by them.

The Central Government's grant-in-aid to the various provinces for the development of the handloom industry was discontinued from April 1947. Official reports on the operation of the scheme with the Government of India's grant-in-aid for 1945-46 to 1946-47 have been published. (Bulletin Nos. HB-2 and 3). The reports give a summary of the work undertaken by the various provincial governments through Co-operative Societies. The provinces covered in the reports are those of Madras, Bombay, Bengal, U.P., the Punjab, Bihar, Assam, Sind and Orissa, C.P. and Berar. It is not necessary to go into the details of these reports except to stress the part played by the Co-operative organizations in furthering the interests of this industry. It may also be added here that in provinces like Bengal and U.P., the financially sounder types of Co-operative Societies also undertake the distribution of yarn in addition to the normal channel of trade. The Co-operative movement is a very important part of rural life and given proper facilities, it would not only help such old industries as the handloom industry to thrive but also give life to new cottage industries and thereby transform the face of rural India.

Special Problems of Handlooms

It is now generally recognised that the handloom industry stands on an entirely different footing from any other industry and therefore its problems have to be tackled in a special manner. Its distinguishing features are that, firstly, it is at once the largest and most widespread of the cottage industries of India and therefore of vital importance to rural India; secondly, it is dependent primarily upon the mill industry which is its own rival and hence any planning for these two industries must necessarily be complementary and comprehensive; thirdly, the

handloom industry is to be found in all the provinces and in all the States of India, each with its own peculiar local conditions in respect of skilled labour, aptitudes and tastes, and it is not an easy thing to reconcile individual interests with all-India needs.

The Standing Handloom Committee set up in 1949 by the Cottage Industries Board has been properly seized of this problem. They have felt that if there is any possibility of a depression overtaking the industry the expansion of powerlooms should not be permitted, as there is a tendency for increase in the number of small powerlooms which are effective competitors of the handlooms. When demand is slack they would be having the handicaps of both mills and handlooms. Thus their products would not be much better than handlooms, while their efficiency would be lower than that of the mills. The social benefits and profits of the powerlooms are again not as broadbased as those of the handlooms. Further expansion of such powerlooms should, therefore, be restricted. As a matter of fact, detailed figures of the distribution of yarn between handlooms and powerlooms are not available, and the Standing Handloom Committee recommended that separate quotas of yarn for handloom and powerloom industries should be fixed in each Province and State. The position today, however, is different because the total offtake of yarn is lower than the free yarn production by the mills. All the same, the situation will require careful watching.

Let us now review the first positive steps which the Government of India have taken after a careful and prolonged consideration, to plan measures for the development of cottage industries in India generally, and of the handloom weaving industry in particular.

Cottage Industries Board

The very important part played by cottage and small-scale industries in the national economy and the need to co-ordinate and integrate these industries with larger industries led the Government of India to constitute a Cottage Industries Board on the 10th August 1948. It will be remembered that precisely the same thing was recommended by the Industries Conference previously and the Minister for Industry and Supply announced in Parliament in April 1948, while moving the resolution on Industrial Policy in 1948, that Government had accepted the recommendation of various bodies in this matter. The official notification dated 17th September 1948, stated the names of the representatives of the Central Government, the provincial governments, the major States and Unions, and the other organizations who were represented on the Cottage Industries Board. Several non-officials were also included in the Board.

Standing Handloom Committee, 1949—Initial Grant of Rs. 10 lakhs

In April 1949, the Government of India constituted a Standing Handloom Committee of the All-India Cottage Industries Board to replace the All-India Handloom Board. The Committee consists of representatives of the provincial and States governments, representatives of weavers, representatives of hand-spinning (Khadi), representatives of textile mills, and of the handloom processing industry, besides representatives of the Ministries of Industry & Supply & Commerce and other experts. The first meeting of the Standing Committee was held in New Delhi

on 10th and 11th April 1949. The personnel of the Committee is given elsewhere.

The Hon. Dr. S. P. Mookerji Minister for Industry and Supply, in his inaugural address welcomed the members and appealed to them to frame realistic recommendations. He referred to the difficulties of the handloom industry, particularly as regards competition with the mills and supplies of yarn, for which special steps had been taken by the government. He requested the committee to let the government have complete data as to the different varieties of yarn actually needed by the handloom industry. As regards hand-spinning, he stated that the All-India Spinners' Association had decided to co-operate with the Standing Committee and hoped that, though government might not always be able to agree with the views of khadi workers, there was room for common effort to increase the production of khadi. The Committee then proceeded to the subjects on the Agenda such as increase of yarn supplies to weavers, import of fine yarn for the weavers, adjustment of production programme in spinning mills so as to suit the requirements of the handloom industry, development of co-operatives, distribution of yarn, accessories, dyes, chemicals, etc. to weavers through such co-operatives, the marketing of handloom cloth in India and abroad, quality control over exports and establishment of training and research institutes. It also considered steps for the utilization of the Handloom Development Fund, for which an initial grant of Rs. 10 lakhs had been given by the Central Government.

Resolutions of April 1949

It will be useful to record here the various important resolutions which were passed at the first meeting of the Standing Handloom Committee held at Delhi on the 10th and 11th April 1949, as they will give a very realistic idea of the situation in the industry and the measures proposed to be undertaken to improve the same.

Supply of yarn to the Handloom Industry

The Committee note that the total quantity of yarn available for the handloom, powerloom, hosiery and other miscellaneous industries, which consumed yarn, is about 400 million pounds per year. Of this, the share which went to the handloom industry was approximately 320 million pounds. The All-India Handloom Board estimated in 1946 that the full requirement of the handloom industry was 693 million pounds. The Committee consider this to be an under-estimate and is of the opinion that about 900 million pounds of yarn is necessary for the handloom industry alone, if the existing weavers are to approach towards full employment. While the Committee are most anxious to see that handloom weavers have full employment, the Committee recognise the fact that it is impossible to make 900 million pounds of yarn available to the handloom industry until there has been a substantial increase in the total yarn production in the country. On the other hand, the Committee are of the opinion that it is imperatively necessary, even now. to give relief to the weavers by giving them immediately at least 50 per cent more yarn than they are getting. In other words, the recommendation of the Committee is that the Government of India should devise measures so that the Handloom Industry may immediately have at least 480 million pounds of yarn. The Committee recommend that the

Government consider the practicability of the following measures with a view to provide the additional 160 million pounds of yarn to the handloom industry:

(1) Import of yarn from other countries;

(2) Making special efforts to increase yarn production in Mills, if necessary by larger imports of cotton from abroad;

(3) Curtailment of supplies to the powerloom industry; and

(4) Reduction of the consumption of yarn in the textile mill industry, particularly in the less efficient production units.

The Committee consider it necessary that an accurate record should be kept of the quantity of yarn allotted to the handloom industry. The Provincial and State Governments are now responsible for the allotment of yarn as between the handloom and the powerloom industries. The Committee are of the opinion that greater uniformity will be secured if the Central Government were to fix separate quotas for handloom and the powerloom industries in each Province or State.

The Committee note with satisfaction that the Post-war Textile Expansion Plan has reserved 25 per cent of the new spindles to be installed, for supply of yarn to the handloom industry. The Committee understand that there may be difficulties in the full implementation of the textile expansion plan in the near future. If the Post-war Textile Expansion Plan is slowed down, the recommendation of the Committee would be that, except in so far as machinery has already been ordered, priority should be given to the establishment of pure spinning mills. In view of the fact that there is a serious shortage of yarn of fine counts for the handloom industry, and in view of the fact that fine yarn can be produced from imported cotton, the Committee would recommend that the new spinning factories should be planned for the production of fine yarn.

The Committee recommend that, as far as possible, new spinning mills should be established by the Provincial Governments or by Provincial Weavers' Co-operative Societies assisted by the Provincial Governments. The Committee consider it important that spinning mills so established by the Provincial Governments or by the Provincial Weavers' Co-operative Societies should not be smaller than the minimum economic unit.

The Committee also recommend that so long as the total yarn production in the country has not increased very substantially, Government should not allow the establishment of any new powerloom factories either for the weaving of cotton fabrics or of artificial silk fabrics.

The Committee note that the present supply of yarn to the handloom industry does not meet its requirements as regards counts and varieties. The Committee consider it a matter of greatest importance that yarn supplies to the handloom industry should be in accordance with its actual requirements, and that, as far as possible, the production programme in the spinning mills should be adjusted accordingly. In order to assess the actual requirements of the handloom industry as regards counts and varieties, in each area, the Committee resolved that a Sub-Committee should be immediately formed in each Province and State consisting of the official and non-official representatives of this Committee and such other officers as the Provincial Government may

consider necessary, for the purpose of working out the countwise requirements of the handloom industry in that area. The Official Member of this Committee should be the convenor of the Sub-Committee and a report should be submitted to the Government within two months.

The Committee note with satisfaction that the Government of India have now decided to raise the minimum lea strength for each count of yarn. The Committee hope that these orders will be strictly enforced. The Committee would suggest that the mills should be required to stamp on each bundle of yarn, the texmark and the count of yarn. The Committee also recommend that one or more representatives of the handloom industry, preferably from among the members of the Committee, should be included as members of the Textile Commissioner's Production Programme Committee as also of Regional Production Advisory Committees, particularly in regions from which yarn is supplied for the handloom industry.

In order to reduce the cost of raw material to the handloom industry, the Committee recommend that Provincial and State Governments should reduce the number of intermediaries in the chain of distribution for yarn by the utilisation of co-operative societies and by subsidising such co-operative societies as regards their overheads.

Reservation of a field of production for Handloom Industry

The Committee are emphatically of the opinion that it is necessary to afford to the handloom industry a permanent measure of protection

(*a*) by the imposition of an excise duty on the products of the Mill Industry, and

(*b*) by the reservation of a suitable field of production for the handloom industry.

The Committee welcome the excise duty which Government have recently imposed on mill-made cloth. They trust that this will be a permanent measure and that when the next opportunity comes, Government would consider the desirability of increasing the excise duty further. The Committee recommend that a substantial part of the proceeds of the excise duty should be utilised for the development of the hand-spinning and the handloom industries.

As regards the demarcation of a field of production, for the handloom industry, the Committee note that the Government of India have introduced certain measures imposing quantitative restrictions on the production of certain varieties of cloth as also on the printing and dyeing of cloth in the mills. While these are steps in the right direction, the Committee feel that the maximum quantity which the Mills are allowed to produce under recent orders nearly represent the whole of the requirement of such varieties in India and do not therefore afford any substantial protection to the handloom industry.

While the Committee emphasize the urgent need for the reservation of a field of production for the handloom industry, particularly in the case of Speciality Fabrics, and certain count groups, they also recognise that such reservation should not affect the production by mills for purposes of exports, nor operate to the detriment of the poorer sections

of the population. The Committee resolve therefore that a Sub-Committee consisting of the following should be constituted to examine the whole question and to recommend to this Committee what field should be reserved for the handloom industry :—

(1) Prof. N. G. Ranga (Chairman) ; (2) The Hon'ble Mr. A. Q. Ansari ; (3) Mr. Sankarrao Deo ; (4) Mr. Hrishikesh Mookerjee ; (5) Prof. M. P. Gandhi ; (6) Mr. Pragada Kotayya ; (7) Mr. M. Samappa ; (8) Mr. Y. N. Paonikar ; (9) Mr. B. K. Ghoshal ; (10) Mr. G. L. Seth, I.C.S., Provincial Textile Controller, Bombay ; (11) Mr. M. S. Sivaraman, I.C.S., Provincial Textile Commissioner, Madras.

The Committee desire that along with other proposals the Sub-Committee should consider the proposal (which was made at the meeting) that the weaving of all *sarees* should be reserved for the handloom industry.

Distribution of yarn to handloom weavers

The Committee recommend that the distribution of yarn to weavers should be canalised through co-operative societies in all stages. The Committee recommend therefore that Provincial and State Governments should appoint as their nominees, the Provincial Handloom Weavers' Co-operatives wherever such co-operatives have been organized and that the Provincial Government should give provincial co-operatives such financial and other assistance as would enable them to purchase and move the quotas from the mills regularly. As regards the retail distribution to weavers, the Committee would recommend that this should be entrusted to weavers' co-operatives wherever such co-operatives exist and that where such co-operatives have not been organised, the Provincial Weavers' Co-operatives should set up their own local agency.

Import of yarn direct by weavers' organisations

Under a previous resolution, the Committee have suggested that yarn supplies to the handloom industry should be augmented by the import of yarn from other countries. In view of the present shortage of fine yarn, the Committee are of the opinion that the maximum possible effort should be made to import fine yarn from other countries in substantial quantities. If the price of imported yarn is substantially higher than the Indian yarn of the same count, the imported yarn should be so subsidised as to be available to the handloom industry at the same price as Indian yarn. The Committee recommend that, as far as possible, yarn for the handloom industry should be imported either by the Government of India, on behalf of Provincial and State Governments, or by Provincial Weavers' Co-operatives who should be given the necessary credit and other facilities. The Committee request that a concrete scheme for import of yarn by a Central organisation should be prepared by the Department, and placed before the Committee at its next meeting.

Inter-provincial movement of handloom cloth

Mr. D. N. Ghosh, Director of Industries, West Bengal, stated that the recent withdrawal of restrictions on the movement of handloom

cloth from one Province to another had adversely affected the interest of the handloom weavers in West Bengal. While the Committee recognise that the withdrawal of the movement control might involve temporary difficulties in some areas, the Committee are of the considered opinion that it was undesirable to restrict the movement of handloom products from one area to another within the Indian Union. The Committee therefore welcome the recent orders and trust that Government of India will not consider it necessary to re-impose the restrictions.

Export of Handloom Cloth

The Committee note with concern that during the last two years, the exports of handloom cloth have been greatly reduced. The Committee consider it imperative that urgent and systematic measures should be taken to increase the exports and urge that Government should allow exports of handloom cloth without any restriction regarding time.

The Committee recommend that as an immediate measure, Government of India should depute a competent Officer to visit all places where there is an existing or a potential market for Indian handloom cloth, and that the detailed results of the enquiries made by the Officer should be made available both to the Committee as also to the handloom industry through Provincial and State Governments. The Committee also recommend that Government of India should instruct their Trade Commissioners abroad to give special attention to the development of markets for Indian handloom cloth and that Trade Commissioners be asked to furnish periodical reports which should be similarly circulated to the Committee as also to the industry. While the Committee recommend these preliminary measures, they consider it necessary that Government of India should consider the establishment on a permanent basis, of a suitable commercial organisation for the marketing of handloom products abroad.

The Committee consider it to be a matter of the greatest importance that the handloom products exported abroad should conform to specifications and to certain standards of quality. The Committee recommend, therefore, that Government should establish an organisation for the certification of handloom products exported abroad, as regards quality and specifications.

Since Pakistan is the best potential market for the Indian handloom goods, the Committee request that the Government of India should pursue at a high level the question of the maintenance of adequate exports of handloom cloth to Pakistan. At the same time, in view of the present difficulties in the way of exports to Pakistan and other countries abroad, the Committee would strongly advise the handloom industry to take immediate and special steps to adjust their products to the needs of the domestic market.

The Committee recommend that the Government should maintain separate statistics of exports of handloom products.

The Committee recommend that the movement of handloom cloth by rail should have high priority and that adequate wagon space should be provided for such movement.

Organisation of handloom weavers in co-operative societies and trade organisations

The Committee recommend that each Provincial and State Government should fix a target date by which every weaver should be brought into the co-operative fold and that the maximum possible efforts should be made in this direction by giving necessary financial and other assistance to the co-operative societies, as also by providing an incentive by way of supply of yarn and other raw materials at concessional rates to the members of co-operative societies.

The Committee consider it necessary that co-operative societies newly established should for a period have financial assistance as regards the management expenses.

The Committee consider it necessary that weavers who are not yet in the co-operative fold and are employed under master-weavers or by traders should have protection by way of regulation of their wages and conditions of work. The necessary measures can be devised only after practical investigation has been made of the present conditions. The Committee, therefore, call upon the official and the non-official members of each area to investigate the present conditions of work and to submit a joint report to the Committee at an early date. The official representative of each area is requested to arrange this investigation to be made.

The Committee are of the opinion that the development of the handloom industry and the rapid expansion of its co-operative organisation require a voluntary organisation of the handloom weavers in each Province and State with local branches in all important handloom weaving centres. The Committee recommend that the Provincial/State Government should assist the development of such voluntary organisations in their respective areas. The Committee also trust that such Provincial and State organisations would form units of the All-India Weavers' Congress.

Supply of handloom accessories, dyes and chemicals to the handloom industry

The Committee recommend that the Government of India should

(*i*) assist handloom weavers' co-operative societies in getting bulk supplies of dyes and chemicals at concessional rates for distribution to handloom weavers at cheaper prices;

(*ii*) encourage the establishment of factories for the manufacture of dyes and chemicals in India.

Marketing of handloom products

The Committee welcome the establishment of the Cottage Industries Emporium at Delhi for the exhibition and sale of cottage industries products including handloom products and recommend that the Provincial and State Governments be requested to open similar sales emporiums in Provincial and State headquarters. They may also be requested to give all facilities to the district Co-operative Societies to establish similar emporiums in concentrated weaving centres and in district Headquarters. The Committee also recommend that Provincial and State Governments should encourage by financial assistance

wherever necessary the running of exhibitions for the display and sale of handloom products by Government and Co-operative agencies and non-profit making organisations.

The Committee recommend that the products of the hand-spinning and the handloom industries should be exempted from Sales Tax.

Improvement of the technique and design of handloom production

The Committee recommend that the Provincial and State Governments should be requested to start technical institutes for training of Instructors and master-craftsmen, and for imparting training in textile designs. In these institutes, preference should be given to weavers' children in the selection of trainees and to persons from the weavers' community in the selection of staff and office-bearers of such institutes. In making such selections weavers' co-operative societies should be consulted.

The Committee is of the opinion that full advantage should be taken of the facilities afforded by all existing Government technological institutes for carrying out research in regard to the improvement of production, accessories, etc. relating to the handloom industry.

The Committee consider it necessary that a Central Research Institute for the handloom industry should be set up in a central place for carrying out research in the manner of production, improvement in the types of looms and accessories, sizing, finishing, dyeing, printing, etc. of handloom fabrics. A separate section should be set apart in this institute for carrying out research in hand-spinning and Khadi-weaving, devising new implements which can be manufactured locally and thereby promote a conception of local self-sufficiency in regard to hand-spinning, carding, etc. The question of having a separate research institute for the Khadi industry may be considered later by the Khadi Sub-Committee, if found necessary. In regard to the location of the Central Research Institute, the Committee considered various proposals but decided to leave it to the Government to select any place other than Delhi that may be considered suitable for the purpose.

The Committee recommend that Provincial and State Governments should be requested to strengthen demonstration parties sent round to instruct weavers in the handloom centres, for demonstrating new designs on handloom cloth, etc. The Committee is of the opinion that arrangements should be made by Provincial and State Governments to give all-round training in handloom weaving, dyeing, printing, calendaring, etc.

The Committee recommend that Provincial and State Governments should arrange to publish bulletins, both in the local languages and in English giving statistical information, and information regarding production, designs, improvements in handlooms and accessories, etc. for circulation among weavers in their areas.

Utilisation of the Handloom Development Fund

The Committee note with satisfaction the fact that the Government of India have created a fund for the development of the handloom

industry. In view of the great importance of the handloom industry and the tremendous possibilities of its development in various ways, the Committee would request the Government of India to augment the existing fund at the earliest opportunity. The Committee are of the opinion that grants from this fund should be given for specific schemes sponsored by the Provincial/State Government and approved by a Sub-Committee consisting of the following :

1. Prof. N. G. Ranga (Chairman).
2. Mr. M. Somappa.
3. Mr. P. Kotaiah.
4. Mr. Y. N. Paoniker.
5. Prof. M. P. Gandhi.
6. Mr. J. P. Srivastava (ex-Registrar of Co-operative Societies, U.P.).
7. Mr. H. Mukherjee.
8. The Textile Commissioner, Bombay.
9. Mr. K. Sen, I.C.S. (Joint Secretary, Ministry of Industry and Supply).

Schemes for which grant may be given may relate to any aspect of the development of the handloom industry including the establishment of printing, dyeing, sizing and calendaring plants by the Provincial Government or by weavers' co-operatives, and the manufacture of handlooms and other accessories. In order to qualify for a grant from this Fund, half the expense for the scheme must be met either by the Provincial Government or jointly by the Provincial Government and other local organisations such as weavers' co-operatives.

The Committee recommend that, as far as possible, the Central, Provincial and other Governments should meet their own requirements of cloth by purchasing the products of the hand-spinning and the handloom industries, and wherever possible, such purchases should be canalised through co-operative societies.

Formation of Provincial Handloom Committees

The Committee is of the opinion that on the model of the Standing Handloom Committee of the All-India Cottage Industries Board, Provincial and State Governments should establish Provincial/State Handloom Committees containing representatives of Weavers' organisations and weavers' co-operative societies for advising them in regard to the development of the handloom industry in their areas. Such Provincial/State Committees should include the representatives of the Province/State on the Standing Handloom Committee.

Collection and publication of statistical data

The Committee recommend that Provincial and State Governments should maintain a statistical section in their departments dealing with cottage industries for the collection and maintenance of up-to-date statistical data and other information relating to the handloom industry in their areas regularly. The data should be on the lines of those collected by the Fact-Finding Committee. Such statistical data should

be furnished to the Government of India for Co-ordinating and publishing them periodically. The Provincial and State Governments should also be requested to collect samples of handloom cloth produced in their areas and information in regard to the types of handloom cloth in respect of which there is competition from the Mill industry, and report the same to the Government of India from time to time.

The Committee recommend that Provincial and State Governments should be called upon to take urgent and concrete measures for the development of the hand-spinning industry in their respective areas. The Committee are of the opinion that such development should have financial and other assistance both from the Central and Provincial Governments. The Committee request the Provincial Governments to earmark sufficient funds for this purpose, and the Central Government to make available to the Provincial and State Governments an amount of Rs. 1 crore spread over a period of four years.

The Committee commend to the Provincial and State Governments the recommendations of the Hand-Spinning and Khadi-Weaving Sub-Committee which met on the 9th April 1949 (given below).

Recommendations of the Hand-spinning and Khadi weaving Sub-Committee which met in New Delhi on 9th April 1949

With a view

(1) to provide employment for the unemployed and the under-employed,

(2) to use their leisure to produce cloth for their own requirements

(3) to increase production of cloth in the country,

it is the considered opinion of this Committee that production of hand-spun and hand-woven khadi is an industry which can be introduced in every part of the country and it, therefore, recommends that the following steps be taken to promote the expansion of this Industry :—

(*a*) Khadi centres should be organised consisting of a minimum number of 50 spinners.

(*b*) Khadi centres should be conducted by Provincial/State Governments, Co-operative Societies, Charitable Societies or Trusts, and Private Khadi-dealers duly licensed or certified as the case may be for the purpose by the Provincial/State Governments concerned.

(c) Agencies that run these Khadi Centres should be given such facilities as

(i) Establishment expenses covering the salary of one Khadi-worker for every 50 to 100 spinners and his travelling and other expenses.

(ii) Suitable subsidy to self-spinners (who spin yarn for their own requirements of cloth).

(iii) Supply of implements at concession rates not exceeding half the price.

(*d*) Establishment of dye houses by Government or Co-operative agencies for getting their hand-spun yarn and Khadi dyed at reasonable cost.

(e) Introduction of improved implements to increase the efficiency of the different processes of Khadi manufacture such as warping, sizing, weaving, etc.

(f) Inducement to handloom-weavers to convert hand-spun yarn into cloth by the payment of a suitable subsidy in view of the fact that the turnover with hand-spun yarn is less than that with mill yarn.

(g) Establishment of Khadi-Vidyalayas for training Khadi workers for running Khadi Centres.

(h) Establishment of sales emporiums for marketing surplus Khadi production after meeting the requirements of self-spinners.

(i) Purchase by Provincial/State Governments of Khadi produced by these centres for meeting their cloth requirements.

2. The Committee estimates that the above steps would in the course of four years increase the present production of hand-spun Khadi by over 40% and give employment for over 4 lakhs spinners, besides providing their own cloth requirements to the extent of 20 yards *per capita*.

3. For the purpose of providing the above facilities for the promotion of hand-spinning, the Committee suggest the allotment of Rupee One Crore as the contribution of the Government of India for subsidising schemes to be implemented by the Provinces/States in this regard during a span of four years; Financial Assistance to the Provincial and State Governments out of the Government of India's contribution should be given on the following conditions:—

(i) Provincial/State Governments should bear at least 50% of the expenditure incurred on such schemes.

(ii) Schemes should have the prior approval of the Standing Handloom Committee or a Khadi Sub-Committee to be set up for the development of hand-spinning.

(iii) Subsidies or other Financial Assistance to private Khadi-dealers wherever necessary should not exceed 50% of the scale of assistance given to Khadi Centres organised by Government, Co-operative Societies or Charitable Organisations or Trusts.

Suggestions for assistance to Handloom Industry

The Sub-Committee appointed for reservation of field of production for the handloom industry, at its Delhi meeting on the 9th October 1949, considered various methods of assisting the handloom industry. It suggested to Government that a reduction in railway freight should be given to handloom goods, that the Provincial Governments should be asked to abolish the sales tax, octroi and such other imposts on handloom cloth and that the Government of India should purchase a bulk of their textile requirements, like uniforms, towels, dusters, mosquito curtains, table cloth, chaddars, etc. from handloom organisations.

A Press Note issued by the Ministry of Industry and Supply dated the 19th October 1949, in connection with such purchase, is given below.

Purchase of Handloom Goods by Government

"In order to assist the Handloom Industry, the Government of India have decided that a substantial part of purchases of cotton textiles against Central Government requirements will be from handloom products, provided it is possible to obtain handloom products of suitable quantities and in adequate quantities. Handloom weavers' organisations are advised to contact the Textile Commissioner to the Government of India, Bombay, or the Provincial Director of Industries advice as to varieties and quantities which will be required by the Central Government. They are also advised to send to the Textile Commissioner, Bombay, samples of their production with full details as to prices and volume of production."

We also give below a Press Note issued by the Ministry of Railways dated the 19th October 1949, in regard to the concessional Railway freights.

Concessional Railway Rates for Handloom Cloth

"To assist the handloom industry, the Railway Board have decided to introduce with effect from 1st November 1949 concessional rates for the carriage of handloom cloth including khadder both by passenger and goods trains. The rates by passenger or parcel trains have been reduced to half parcel-rates at owner's risk while the lower rates by goods trains normally applicable to piecegoods in bales, press-packed, will apply to handloom cloth not so packed. These concessional rates will in the first instance remain in force until March 1950 when the position will be reviewed in the light of the experience of the working of these concessions."

Reservation of field of production for handlooms

In accordance with the recommendations of the Standing Handloom Committee, a meeting of the Sub-Committee was held at New Delhi on the 9th and 10th October 1949, for considering the question of reservation of fields of production for the handloom industry. The personnel of this Sub-Committee is given in an earlier page. The Sub-Committee recommended that the question of reservation had assumed great importance and it should be examined at once by a Sub-Committee to be set up by the Textile Commissioner of the Government of India, whose appointment was also recommended by the Sub-Committee, as the Handloom Commissioner, in addition to his other duties. This matter was also placed before the Textile Advisory Committee at New Delhi on the 10th October 1949, who also agreed that this matter should be examined at once. Accordingly, the Government of India, in the Ministry of Industry and Supply, constituted a Committee to advise the Textile Commissioner as to the action to be taken by him in this matter. The names of the members of the Committee are given below :—

1. Shri Dharamsey Mulraj Khatau, Bombay.
2. Shri Narottam P. Hutheesing, Ahmedabad.
3. Shri Bharat Ram, Delhi.
4. Mr. J. R. Marshall, Madura.

5. Shri M. Somappa, Yemmiganur.
6. Shri Sukumar Dutt, Calcutta.
7. Shri K. C. Kapadia, Surat.
8. Shri Y. N. Paonikar, Chanda, C.P.
9. Shri B. K. Ghosal, Kanpur.
10. Shri A. D. Balasundara Mudaliar, Madras.
11. Prof. M. P. Gandhi, Bombay.

A meeting of this Committee was held on the 7th November 1949, at Bombay, when all the above members except Mr. J. R. Marshall were present. The following were also invited to be present:—

1. Shri Krishnaraj M. D. Thackersey.
2. Shri P. Kotayya.
3. Shri J. M. Kochar, Textile Commissioner, Madhyabharat.

The recommendations of the meeting of the Committee held at Bombay on the 7th November 1949, are given in the Appendix at the end, and a reference should be made to them.

These recommendations mark a positive departure from the old "wait-and-see" policy, and contain concrete suggestions for assisting the handloom industry, by reserving certain lines of production exclusively for it.

The recommendations of this Committee are now engaging the attention of the Government of India, and it is hoped that immediate action will be taken on the lines of their recommendations with a view to assist the handloom industry before long.

Having referred to the development of the industry during the year 1949, we will now review the position about the supply of yarn, prices of cotton yarn, supplies of dyes and chemicals, etc. to the industry.

Supply of Yarn

The imports of cotton twist and yarn during 1947-48 were 3,495,240 lbs. and 9,586,584 lbs. respectively. The total quantity of free yarn available for handloom, powerloom and other industries during 1948 was 404 million lbs. against 385 million lbs. during 1947. In the period January to April 1949, the total free yarn made available to these industries was 136 million lbs., but for various reasons, the Provincial and States Governments rejected the quotas allocated to them and their nominees also failed to lift the quotas from the mills. This is probably because of the state of glut in the market as a result of the free flow of imported yarn since the removal of the import duty. During the period January-June 1949, 7,285,534 lbs. of cotton yarn over count 40s has been imported into India, which is 45½% of the total imports of cotton yarn in that period. Total Indian yarn, over counts 40s available for civil consumption during January-April 1949 was 6,408,000 lbs.

Table I in the Appendix showing the amount of free yarn available during January-September 1949, and Table II showing imports of cotton yarn during 1947, 1948 and January-June 1949 sharply underline the present problems of the handloom industry. We are also giving

another important Table in the Appendix, showing the average monthly deliveries of yarn by mills during August 1948 to July 1949. It shows the various kinds of yarn utilised by handlooms in various areas of the country.

Fluctuations in Price of Cotton Yarn in 1949

Prices of cotton yarn have been revised from time to time. The increase or decrease in the prices was made by Government to balance the higher costs the producers have to pay for imported cotton owing to shortage of cotton stock in the country—and due to the higher rates which have to be paid to labour. The prices of yarn were reduced in January 1949, increased in April 1949, and again decreased in July 1949.

It may be noted that owing to the high price of Egyptian Cotton purchased by the Government and the comparatively lower efficiency of Indian mills, Indian yarn prices are somewhat higher than those of imported yarn. The large imports of foreign cotton yarn, which have been stimulated by the removal of the import duty (recommended by the Tariff Board) have now given rise to representations from commercial bodies that the import duty on cotton yarn should be imposed again. The mills pointed out that, while Indian yarn remains unsold and the market is flooded with stocks, there is no case for further imports, at least duty-free.

Supply of Dyes and Chemicals

During the pendency of control over dyes, the Textile Commissioner had asked the Provincial and State Governments for figures of their requirements of dyes. Based on the information so received, the most prominent dye dealers situated in and around the relevant areas were intimated about the individual regional requirements of dyes of various categories and were asked to render necessary assistance to the Governments concerned.

The general overall supply position of dyes of all categories continues to be very satisfactory and various dealers of dyes are left with fairly large quantities of dyes against a falling market combined with lack of demand from consumers. There has practically been no demand from co-operative societies or State Governments for dyes of fast categories, out of the 10% of the total the Textile Commissioner is maintaining for over a period of one year at his disposal.

Coal-tar dyes were freely imported under O.G.L. XV, and there is no dearth of dye-stuffs at the moment (August 1949). Since the present supply is more than the demand, dye-stuff is actually sold at lower than the scheduled price at present.

Supply of Accessories

The Textile Commissioner issued on 4th April 1949 a notification regarding the decontrol of distribution of shuttles, under clause 33 of the Cotton Textiles (Control) Order, 1948. Further, under clause 33 of the said Order, it was also directed that every importer effecting a sale of imported powerloom shuttles ranging from 13⅜″ to 15″ in size should report the sales with full details. Since the expiry of the one month

period, the trading in shuttles became free and does not require any buyers' licence but the importer should report the name of the buyer, the quantity sold and the price charged. The sale prices of shuttles used in textile looms (other than jute and hemp) were limited to the ceiling fixed from time to time.

Movement of Handloom Cloth made easier

From January 1949, all restrictions on the movement of handloom cloth and on their transport by Air, Sea, or Inland Navigation or by goods train or as a railway parcel were withdrawn. Concession of Railway freight was also given from November 1949 to handloom goods as stated previously, upto March 1950 when the position will be reviewed.

Export of Handloom Cloth in 1948-49 and 1949-50

No separate quota has been fixed for the export of handloom cloth. The export quotas fixed for cotton piecegoods to each destination cover both mill-made cloth and handloom cloth.

From 1st of March 1948 handloom cloth was exempted from the duty then levied on export of cotton piecegoods. This duty was abolished from 1st June 1949.

In December 1948 the Government of India decided to maximise export to hard currency areas and notified that export permits would be given for export of finer and wider width of cloth as well as towels, bed-covers, napkins, etc. to firms which were able to effect sales in hard currency areas. In February 1949, the Government of India issued a Press Note liberalizing temporarily export of handloom cloth. Export licences were given freely for a limited period of time upto June 30th, 1949, to all destinations. The Government of India also intended to give export licences for 50 million yards of handloom cloth to Pakistan through normal channels, forming a part of Pakistan's annual quota agreed by the Inter-Dominion Conference. Later on in March 1949, this decision was revised and the 50 million yards of handloom cloth to Pakistan was allowed outside the agreed quota. The period of free concession has since been extended upto December 1949. Since June 1949 all restrictions regarding export of fine, superfine, grey and bleached cloth as well as cloth of extra width have been removed.*

Pakistan had also agreed in August 1949 to issue freely licences for import of lungis from India. But this did not materialise, as trade was at a standstill between India and Pakistan after September 1949, when India devaluated her currency.

Licences were given for 5,996 bales of handloom cloth for export to all destinations since the inauguration of the Government of India scheme for free export on February 10th, 1949. Upto 31st March 1949, only 5,252 bales have actually been exported.

* The target for export of cloth in 1949-50 was fixed at 800 million yards. Handloom Cloth will, it is expected also be exported in larger quantity, particularly after devaluation in September 1949.

Licences are freely issued since the middle of 1949 for export to all destinations.

Handloom Development Fund Sub-Committee in October 1949

We have referred to the fact that the Government of India made an initial grant of Rs. 10 lakhs to the Standing Handloom Committee in 1949. We have also referred to the appointment of a Sub-Committee for utilisation of the handloom development fund, at the meeting of the Standing Handloom Committee held on the 11th April 1949. A meeting of this Sub-Committee was held at New Delhi on the 10th October 1949, when it was decided to allocate the grant from the fund among the various Provincial Governments and States, on the basis of the latest allotment of yarn made by the Textile Commissioner to the various Provinces and States, and a certain weightage accorded to backward areas.

Grants recommended by the Handloom Development Fund Sub-Committee at the Meeting held at New Delhi on the 10th October 1949

The Committee made the following *pro rata* allotments on the basis of the latest allotment of yarn made by the Textile Commissioner to the various provinces and States. Suitable reduction was made in the case of Bombay on account of yarn consumed by the considerable number of powerlooms :

		Rs.
1.	Madras	2,15,700
2.	United Provinces	98,100
3.	Bombay	86,100
4.	Orissa	57,000
5.	C.P. and Berar	49,000
6.	Bihar	44,400
7.	Hyderabad	38,400
8.	West Bengal	38,000
9.	East Punjab	34,000
10.	Travancore and Cochin	19,500
11.	Mysore	14,700
12.	Rajasthan	14,400
13.	Madhya Bharat	13,200
14.	Assam	13,100
15.	Saurashtra	11,300
16.	Delhi	4,400
17.	Jammu and Kashmir	4,300
	Total Rs.	7,55,600

Weightage to Under-Developed Areas

The Committee considered the following areas as under-developed, for the purpose of giving additional weightage grants and divided them into four-and-a-half units among whom a sum of Rs. 1 lakh will be distributed. But this classification is applicable only for the year 1949-50:

(*a*) East Punjab, Pepsu, Jammu and Kashmir and Himachal Pradesh	1 Unit
(*b*) Rajasthan and Madhya Bharat	1 „
(*c*) Assam and Tribal areas	1 „
(*d*) Centrally administered areas	1 „
(*e*) Saurashtra	½ „
Total	4½ Units

According to the above grouping the Committee allotted Rs. 22,220 to each complete unit as weightage and thereby gave each constituent the following share in addition to the grants made on *pro rata* basis:—

	Rs.
East Punjab	5,555
Pepsu	5,555
Jammu and Kashmir	5.555
Himachal Pradesh	5,555
Rajasthan	11,110
Madhya Bharat	11,110
Assam and Tribal Areas	22,220
Saurashtra	11,110
Centrally Administered Areas	22,230
Total	Rs. 1,00,000

It is hoped the Government of India will make the allocations before long.

This Sub-Committee also recommended that funds should be placed at the disposal of the handloom industry for implementing measures calculated to develop the export market for handloom goods outside India.

Central Handloom Textile Design Section approved

The Committee also approved of a scheme for establishment of a Central Handloom Textile Design Section prepared by the Cottage Industries Directorate and allotted Rs. 89,000 for the immediate execution of this scheme. The Committee also asked for a larger grant of funds to the Standing Handloom Committee in view of the importance of safeguarding this industry.

Having referred in such great detail to the problems of the industry in the year 1949 and the measures taken by the Government to assist the industry, let us now review in brief the activities of the previous All-India Handloom Board which was set up by the Department of Industry and Supply through its resolution dated 12th February 1945.

All-India Handloom Board (1945-48)

The All-India Handloom Board was set up in 1945 by the Government of India to tackle the problems of the Handloom Industry in a complete and comprehensive manner. Our readers are familiar with the work of the Board at the various meetings held by it between 1945 and 1946. This Board was superseded by the establishment of the Cottage Industries Board in April 1948. We shall not therefore go over the entire ground once again, but for the sake of continuity of historical perspective, we give below a brief analysis of the work done by the All-India Handloom Board during the three years of its existence. Such an account of its activity would be relevant also from another standpoint, since it had done much spade work in respect of the various problems facing the handloom industry such as yarn supply, marketing, research, organization, textile accessories, etc. However, nothing much was done beyond the stage of recommending various steps for the improvement of the industry. The Cottage Industries Board had therefore the advantage that it had only to erect the superstructure in most respects as the foundations had been laid by the Handloom Board and its various Committees.

It would be of interest to recall that the functions of the Handloom Board were outlined as follows by the Government resolution of February 1945 :—

(1) To make recommendations to the Government of India on the proportion of the yarn available from Indian production which should be supplied to each Province and State, interested in obtaining it for handloom weaving.

(2) To assist handloom weavers in obtaining dyes, chemicals, stores, etc. at fair prices through their recognised associations or through Provincial or State Governments.

(3) To investigate and report on the best methods of marketing handloom products.

(4) To undertake research, particularly into markets and the improvement of production. In pursuing such researches, the Board should make use of any Provincial or State organizations already in existence.

(5) To advise on the administration of the grant-in-aid given by the Government of India for the furtherance of the handloom industry.

(6) To consider the conditions of work of handloom weavers.

A proviso to these terms of reference was added that the Chairman of the Board should consult the Textile Control Board before making any recommendation that was likely to militate against the interests of the mill industry. The Board met four times during its existence.

Yarn Supplies

The necessity to keep two things in view in tackling the problems of the handloom industry was stressed by the then Member for Commerce thus : "Either there must be once again a development of home spinning of cotton or in the alternative, there must be sufficiency and abundance of all counts of yarn needed by the handloom industry. That is a problem of the future : the weakness of the position today

(1945) in regard to handlooms is the unsteadiness of the supply of yarn in abnormal times. The handlooms for long had to depend on the supply of yarn from others, both from within and from outside India. . . . Our mills particularly have not adequate production of finer counts to meet the demands of the handloom industry." He also referred to the complicated distribution system of yarn to the weavers. We refer to this here to emphasize the point that the adequate supply of yarn is no more a problem. On the other hand, there is a huge lot of both imported and indigenous yarn stocks which nobody knows what to do with. The Fact-Finding Committee estimated that a total quantity of 65,039 bales of yarn per month were necessary for handloom weavers. In 1945, the Textile Commissioner to the Government of India, Mr. M. K. Vellodi, stated that yarn was divided into four groups for distribution: 1 to 10s, 11s to 20s, 21s to 40s and 41s and over. But the trouble was that the handlooms required fine yarn and out of 62,000 bales of yarn produced, only 2,500 bales were of counts over 40s, as he clearly pointed out. In the pre-war years, we used to import on an average about 40 to 45 million lbs. of fine yarn, most of which was 31s and above. A fair percentage of the looms which had been weaving woollen fabrics had turned over to cotton fabrics because during the war, woollen and silk yarn were taken up for defence purposes. Early in 1946, the yarn distribution scheme was changed in some minor respects and the Textile Commissioner (Mr. Dharma Vira) was able to report higher allotments of yarn. He, however, did not minimise the difficulty of finding fine yarn for weavers and warned against complacency in the matter. At the third meeting of the Handloom Board in April 1946, the position of yarn supplies was still reported to be bad and it was even suggested by the Textile Commissioner to the Provinces and States that they might try to restrict the number of looms by eliminating those weavers who had recently come into the trade under the attraction of high prices. At the fourth and last meeting of the Board in December 1946, the yarn picture was still gloomy and it was stated that the supply of yarn per month had fallen from 83,000 bales to a much lower figure owing to the lower mill production and the shorter working hours in mills. The Textile Commissioner therefore stated that the position could only be improved by importing yarn from abroad, or by installing new machinery in the country. We can thus see that there was an element of desperation about the yarn supply question.

In the light of this short preface, the following concise statement showing the recommendations of the Board and the action taken will be helpful:—

Recommendation	Action Taken By The Government In 1947
1. 50% of the new spindlage sanctioned under the Post-War Expansion scheme should be left uncovered by looms to meet requirements of yarn by the handloom industry.	25% of the new spindlage reserved. The Provincial and State Governments are left to reserve more if so required in their respective jurisdiction.

Recommendation	Action Taken By The Government In 1947
2. Restrictions on the import of cotton, woollen and rayon yarn should be removed.	Import of cotton and woollen yarns were licensed freely—rayon yarn was licensed to the extent of 50% of value of imports in 1945-46.*
3. New mills for the production of woollen and rayon yarn should be established in the country.	It was decided that the existing woollen plants coupled with the capacity of the plants that would be installed should be adequate. New mills, for production of rayon yarn are being set up—which would be enough to meet the requirements.
4. The Provincial and State Governments should arrange for adequate supply of silk yarn to handloom industry at reasonable prices.	Commended to Provincial/State Governments.
5. Government of India should allot a reasonable quantity of silk and art silk yarn out of the supply expected as part of reparations from Japan.	It was decided that the requirements of the handloom industry would be borne in mind while the supplies are received. A quota of art silk yarn has since been allotted to the Provinces and States.
6. Genuine co-operative societies of weavers should be supplied with their requirements of yarn at the ex-mill rate to the extent specified by the Provincial Governments subject to the conditions laid down by the Board.	Under the yarn distribution scheme yarn is supplied to the Provinces, at ex-mill prices, who in turn distribute to Co-operative Societies.
7. The price of yarn should be fixed according to the quality of yarn. In order to check malpractices in the yarn trade, systematic and strict enforcement of the Provision of the Merchandise Marks Act should be arranged.	Price of yarn being fixed periodically on the basis of Tariff Board's recommendation.

Supply of reeds, healds, shuttles, dyes and chemicals

In respect of dyes and chemicals, the supply to the handloom industry falls much short of demand and as emphasized at the fourth meeting of the Board in 1946, only equitable distribution has been possible. The estimates of fast and semi-fast dyes required by the

* In 1949, imports have been restricted.

handloom industry in respective areas were prepared by the Provinces and States at one stage and these were intimated to importers for ensuring supplies. This was in response to the recommendation of the Board that the handloom industry should receive priority next to defence requirements in the allotment of dyes and chemicals, and that large and well-established dye houses should be encouraged to secure most economical use of dyes and chemicals. The question of manufacturing dyes in this country was mooted long ago, but has not so far made any progress. In regard to dyes, the present problem is mainly one of economy in the use of dyes. The dyes trade is a specialised one with peculiar difficulties. For one thing, dyes are not used as imported, but require mixing to suit the requirements of consumers; besides, there are thousands of types and storage is a great problem. Supplies, generally, amount only to a small proportion of the requirements of the industry other than the mills. We may note here a suggestion made in 1945 that Central dye-houses should be established under approved organizations, equipped with efficient machinery; that the weavers should bring their yarn to such dye-houses to obtain the requisite colours. It was claimed that this method would ensure (1) standardization, (2) maximum utilization of dye-liquors involving economy in the use of dyes and chemicals, (3) reduction in price due to dying in bulk, and (4) easier system of distribution by which dyes could be supplied and distributed to central organizations instead of being doled out in small quantities to individual weavers. In support of this method, it was pointed out that the Madras Provincial Weavers' Co-operative Society is running four dye factories, at various centres on these lines, and even Orissa seems to have made a beginning in this direction.

In 1946 the question of ensuring supplies of loom accessories to the industry at reasonable prices was considered. The Textile Commissioner stated before the Board in December 1946 that though the bulk of healds, reeds, shuttles and others is imported, complaints of short supply were not heard. This is due to the fact that the weavers used reeds made of bamboo and healds are knitted by themselves. As the supplies of healds and reeds improved, control over the distribution and price was lifted. In the case of shuttles, mainly obtained from abroad, the available quantity was insufficient to meet the needs of both handlooms and mills and hence prices were high. Their manufacture from Indian timber has not made much progress and such shuttles are not purchased by the mills. Hence the indigenous shuttle industry has to import wood from Canada for its raw materials.

Marketing and Research

At the second meeting of the Handloom Board in December 1945, the Textile Commissioner stated, *apropos* of marketing and research:—

"According to the Fact-Finding Committee's Report, the unorganised condition of the industry is responsible for the fact that the present marketing organisation is very costly from the weaver's point of view: the middleman's margin of profit ranges upto about 47 per cent of the cost. I feel that not only the stability of the Handloom Industry, but its very existence would depend on the extent of the success which is achieved in the direction of organising the weavers to ensure their continuous employment at reasonable wages, effecting

economies in the cost of production, with a view to withstand competition from the mills, guiding the weavers' production along the channels of readily saleable fabrics of standard qualities and satisfactory marketing of the produce. It will be appreciated that this will be a gigantic task and it may be not only desirable but essential to take stock of the various handicaps of the industry and formulate a well considered plan for improvement before arriving at decisions. It is for this reason and because of the very complex nature of the various problems that I would request the Board to consider the desirability of referring the various items of the agenda pertaining to the question of marketing to the proposed Marketing and Research Committee, which may meet in January 1946. The basis of examination of the problem will no doubt be the information contained in the Fact-Finding Committee's Report, but it would be for the Committee to determine whether in view of the changes brought about by the unprecedented economic conditions of the last few years, it would not prefer to conduct another survey to ascertain the existing conditions. There may have been considerable changes in the structure and economics of the industry during the last two or three years and therefore it may be desirable to obtain fresh information on such points as the wages of weavers, number and types of looms, methods employed for preparatory and finishing processes, types of goods produced, methods of marketing, extent of competition and last but not the least, the inroads made by the powerloom industry."

The Board adopted the recommendation of the Committee " that the All-India Handloom Board should be a permanent body and that a Central Marketing Organization should be attached to it. Marketing officers were also to be appointed at the following centres: Bangalore, Bombay, Calcutta, Lucknow and Amritsar. These officers should attend to marketing of handloom goods and their functions will be to study existing marketing conditions, to explore possibilities of further developments, to bring to the notice of trade channels the types of fabrics produced in the various Provinces and to keep the industry throughout India informed of the changing fashions and demands. A Central Museum at New Delhi and showrooms in various centres was also proposed to be maintained. It was, however, agreed that the Central Organization should in no way interfere with the efforts made by the Provinces and States for the furtherance of the industry in their areas.

At its first meeting in Jan. 1946 the Marketing and Research Committee recommended that marketing officers of adequate status be appointed by Government at the following centres:—

(1) one at London, (2) one at Alexandra for Egypt and the Middle East, (3) one for East Africa, (4) one for West Africa, (5) one at New York for America and Canada, (6) one at Colombo, (7) one at Rangoon, (8) one at Singapore, and (9) one for Australia and New Zealand.

These Officers should be attached to the Trade Commissioners wherever there are such Commissioners; but they should attend only to marketing of Indian handloom goods. The functions of these Officers will be to study the existing marketing conditions, to explore possibilities of further development of the markets, to bring to the notice of the trade channels our fabrics and simultaneously to keep the handloom industry informed of the changing fashions and demands. In the opinion of the Committee, the Government of India's Trade Commissioners cannot be

expected to do this work in the intensive way required, and they should therefore be assisted by whole-time Marketing Officers. The Committee drew attention to paragraph 131 of the Fact Finding Committee's Report and to the hardship caused to the handloom industry by the existing position as regards registration of designs of Madras handkerchiefs and strongly recommends that all handloom goods should be exempted from the operation of the law relating to Patents and Designs. It urged that registration of designs cannot be enforced without hardship to the handloom industry and without victimising innocent producers. There is a well-founded apprehension that the outside markets which have been developed by the Indian handloom industry after years of efforts are likely to be partly or wholly lost owing to other countries exporting mill-made imitations of what have hitherto been considered as being essentially handloom types. The Committee was accordingly of the opinion that export restrictions should be relaxed quickly, in order that the Indian handloom industry may not lose any of its established export markets, more so, as it is understood that foreign countries are producing colourable imitations of lungis, etc.

The Committee at one of its subsequent meetings, considered also the question of standardisation of handloom products, which is the crux of the whole problem of the handloom industry. The marketing of handloom goods cannot be successfully organised and their reputation maintained, unless the quality of production is upto the mark. Hence arises the need for efficient supervision while weaving is in progress, for the supply of correct reeds and healds. The Committee realised, however, that except in this very limited sense, standardisation is not an ideal to be pursued in respect of handloom goods and that the weaver must enjoy as much freedom as possible to alter the designs and varieties with reference to market demands and with reference to the competition offered by mill-made goods, imported or indigenous.

Emporium opened at Delhi in 1949

In regard to the recommendation that marketing officers be appointed at overseas centres, the government considered that there was no such necessity having regard to the then existing restrictions on the export of cloth. The Ministry of Commerce issued a circular letter to Trade Commissioners abroad to find out the possibility of stimulating demand for Indian handloom cloth. The replies were circulated to the Provinces and States for information and for furnishing samples and details of the various fabrics. Government also allotted one seat on the Export Advisory Council to a nominee of the Handloom Board, while in response to its recommendations for relaxing export restrictions, government allowed the export of handloom cloth freely to all destinations upto the end of July 1948, and extended the concession even thereafter. Similarly, as regards the establishment of the Central Marketing Organization as well as the setting up of a Central Experimental Workshop, they were giving the proposals the active consideration but no decision was arrived at. Pending the establishment of a Central Museum for handloom factories, the Textile Commissioner was requested to collect samples for exhibiting in a showroom.

The samples were duly received by the Textile Commissioner, and are now being displayed in the Cottage Industries' Emporium at New Delhi, since 1949.

Government's Grant to Industry

The Board had recommended strongly that the Central Government's grants-in-aid amounting to Rs. 5 lakhs annually to the Provincial and States Governments for furtherance of the handloom industry which have been discontinued with effect from 1947-48 should be continued and be placed at the disposal of the A.I.H.B. for financing schemes of all-India significance. It was suggested that in the first instance a grant of Rs. 10 lakhs will be adequate for the purpose. In response to this recommendation, and as there is a very large scope for the development of the Handloom Industry particularly in the matter of designs, finish and marketing, Government of India decided to start a fund with a sum of Rs. 10 lakhs in the first instance for the development of the handloom weaving industry. The necessary grant of Rs. 10 lakhs was duly sanctioned in 1949 and the Standing Handloom Committee, was asked to make recommendations as to the principles and procedure for the disbursement of the grant. The Committee's recommendations in this regard will be found elsewhere in this *Annual*.

As regards Tariff policy, the A.I.H.B. had suggested that the Central Government should appoint a competent and impartial tribunal to undertake the comprehensive examination of the incidence of tariffs on cotton yarn and suggest suitable measures to enable the handloom industry to compete with mills on fair terms. The Tariff Board recommended to the Government of India that the import duty on cotton yarn may be removed; and this was done with very favourable consequences, as stated elsewhere, on the supply position of yarn for the industry. It so happened that such removal of import duty coincided with the end of the sellers' market in other countries so that a regular flow of yarn imports has been witnessed in this country. The problem at the moment is not the scarcity of yarn but how to utilise all the large surplus stocks of yarn. In future, it is to be hoped that, in respect of tariffs, the handloom industry will not be tagged with the mills, as was the case till 1949.

Government Resolution Re: Cottage Industries in April 1948

It will be useful to refer here to the resolution of the Government of India's Industrial Policy presented to the Dominion Parliament in April 1948, by the Hon. Dr. Syama Prasad Mookerjee, Minister for Industry and Supply. The relevant portion of the resolution dealing with cottage and small-scale industries is reproduced below:

> "Cottage and small-scale industries have a very important role in the national economy, offering as they do scope for individual, village or co-operative enterprise, and means for the rehabilitation of displaced persons. Those industries are particularly suited for the better utilisation of local resources and for the achievement of local self-sufficiency in respect of certain types of essential consumer goods, like food, cloth and agricultural implements. The healthy expansion of cottage and small-scale industries depends upon a number of factors like the provision of raw materials, cheap power, technical advice, organised marketing of their produce, and, where necessary, safeguards against intensive competition by large-scale manufacture, as well as on the education of the worker in the use of the best available technique.

Most of these fall in the provincial sphere and are receiving the attention of the Governments of the Provinces and the States. The resolution of the Industries Conference has requested the Central Government to investigate how far and in what manner these industries can be co-ordinated and integrated with large-scale industries. The Government of India accept this recommendation. It will be examined, for example, how the textile mill industry can be made complementary to, rather than competitive with the handloom industry, which is the country's largest and best organised cottage industry. In certain other lines of production, like agricultural implements, textile accessories, and parts of machine tools, it should be possible to produce components on a cottage industry scale and assemble these into their final product at a factory. It will also be investigated how far industries at present highly centralised could be decentralised with advantage."

"The resolution of the Industries Conference has recommended that Government should establish a Cottage Industries Board for the fostering of small-scale industries. The Government of India accept this recommendation * and propose to create suitable machinery to implement it. A cottage and small-scale industries directorate will also be set up within the Directorate-General of Industries and Supplies."

Industrial Co-operatives

"One of the main objectives will be to give a distinctly co-operative bias to this field of industry. During and before the last war, even a predominantly agricultural country like China showed what could be done in this respect, and her mobile industrial co-operative units were of outstanding assistance in her struggle against Japan. The present international situation is likely to lessen to a marked degree our chances of getting capital goods for large-scale industry and the leeway must be made up by having recourse to small-size industrial co-operatives throughout the country."

It must be stated that the Government of India have taken prompt action in this matter and it is hoped that as a result of the keen interest which they have begun to display in this industry, since 1949, in appreciation of its importance in the general economy of the country, it will be possible to prevent the disintegration of the industry by taking action on the right lines.

Before we pass on to a short review of this celebrated handloom industry of the country it will be useful to refer to the very valuable report submitted by the Committee for the promotion of village industries, appointed by the Government of Bombay in 1947 under the chairmanship of Mr. Manu Subedar, a well-known economist of the country.

In the Report of this Committee a special chapter has been devoted to the handloom industry. In a brief summary of the historical back-

* On the 10th August 1948, the Government of India issued a communique on the subject announcing the constitution of the Cottage Industries Board (*Vide* Appendix).

ground of this ancient industry, the report dwells on the debacle in the industry which has been continuing without much check of any kind. The economy of machine production backed by political power resulted in the supply of cloth being made cheaper to the consumer; but at the same time in the process, both hand spinning and weaving declined and all factors conspired to undermine the handloom producer. His dependence on the mills for yarn was absolute and sometimes indeed pathetic. In 1946, "we are confronted with the last remnant of a once prosperous hand industry. If not properly assisted, it is doomed to be killed out with the exception of those handlooms which are engaged on high quality and luxury productions (including working of gold thread) which is required by the rich", says the Committee. The report also makes a fine point in drawing attention to the fact that by the process of deterioration of the handloom industry, "the loss to India is not so much in production as in the unhappiness and misery of the class which was highly skilled and which has had to abrogate that skill and turn to unskilled or new occupations". Therein lies the tragedy of this industry—a tragedy for which some remedy must be found before it is too late.

The Ancient Handloom Industry of India

We may now refer to the past history of the celebrated handloom industry of the country.

Cotton has been known in this country since prehistoric times. The earliest of civilisations, unearthed at Mohen-jo-Daro, gives evidence of cottonwears. Coming to historic times, there is a rich crop of evidence to be gathered from travellers' records, etc. of the existence of cotton finery. Then there is the mention of cotton and cotton wefts in very early writings, including the *Rig Veda*. The export of Indian cotton fabrics during the Buddhist period won India world-wide tribute.

From the times when the cotton trade gets mentioned in writing, Dacca and Masulipatam seem to be reputed centres of fine manufacture. Muslins and calicos are frequently mentioned by ancient historians as having won the admiration of other nations. It is interesting to note that long before Egypt blossomed into cotton, India had the tradition of centuries behind her in this respect, and indeed, India is the birthplace of cotton manufacture.*

In the early days, the handloom industry enjoyed the status of a craft patronised by kings. But it is believed, that, though the best artisans were whole-time workers, a large number took to it only during their moments of leisure. As with most of the old crafts, the handloom industry was a hereditary occupation which had its most zealously guarded secrets. The gossamer excellence of the Dacca muslin must have been the result of ages of specialisation among very exclusive artisan families. Thanks to the fact that Indian dyeing had also reached a high pitch of excellence, the cotton wefts of India dazzled the nations by their rainbow brilliance. The muslins of Dacca, the calicos and chintzes from Masulipatam and other places on the Coromandal coast

* *Vide* Mr. M. P. Gandhi's "The Indian Cotton Textile Industry—Its Past, Present and Future," 1937, with a foreword by Sir Purshotamdas Thakurdas, showing in detail the vicissitudes of the industry, from the earliest times to the present day. 240 pages, Price Rs. 3-8.

and the gold and silver wefts from Ahmedabad and Benares were the envy of the trading world. Persia, Tartary, Turkey, Syria, Barbary, Arabia and Ethiopia were India's customers during the heyday of her handloom industry. The fairy delicacy of old Indian muslin has caused quite a crop of legends about it. Poetic names were given to some varieties as for example 'Shubnam', meaning 'evening dew'. It is said that in the halcyon days of the Dacca industry, a piece of muslin 15 yards long by a yard wide could be made so fine as to weigh only 900 grains, or a little over 1|10th of a pound. The weaving of such fancy fabrics had to be carried out in the rainy season when the humidity of the air prevented the snapping of threads. The condition of the industry of today is such that these descriptions evoke a mild scepticism in those unfortunate people who have never seen such excellence in the contemporary world.

India fell from its great position of world monopoly in cotton during the centuries subsequent to the 18th. The machine age sounded the death knell of Indian excellence and mastery in the cotton world. The flooding of the Indian market by mill-made textiles mostly from abroad, put the local weaver in tragic plight. The Suez Canal, the locomotive, and the automatic shuttle conspired to hamstring India's handloom industry. A modified handloom industry based on mill yarn, mushroomed on all sides, choking the very roots of the handspinning and handweaving industry.

We may now turn to the Fact Finding Committee's Report.

FACT FINDING COMMITTEE'S REPORT (1943)

The Government of India published the report of the Fact Finding Committee (Handlooms and Mills) during the year 1943. This Committee was appointed early in 1941, with the following terms of reference :

(1) To make a survey, with the assistance of Provincial and State Governments, of the extent of the handloom industry, in each Province and State, and of the kinds of handloom products produced and the number of persons engaged in the industry ;

(2) To make a report on the marketing organization both for the purchase of yarn by the handloom weavers and for the sale of the handloom products ;

(3) To compare the nature of the products of the handloom industry in each area surveyed with the corresponding mill products and to find the nature of the competition between the two ;

(4) To investigate the kinds of yarn used in the handloom industry and types of production for which different kinds of yarn are used ; and

(5) In particular, to investigate how far an enactment prohibiting the mills from using yarns of low counts would help the handloom industry in maintaining its production.

Personnel

Dr. P. J. Thomas, (then) Professor of Economics, University of Madras, was the Chairman of the Committee, and Rai Bahadur H. Mookerjee was a member. The Secretary was Mr. B. P. Adarkar, (then) Reader in Economics, University of Allahabad. (The report was signed in February 1942, and was published by the Government of India in 1943).

In view of the importance of the subject and the detailed and careful investigations carried out by this Committee, which has made available some very useful facts and data in regard to the position of the handloom industry, both in its hoary past as also during the present period, we have made copious extracts from its report in the succeeding pages.

*It is well known that India has been a producer of cotton cloth from times immemorial and is generally regarded as the birthplace of cotton manufacture.** It is not necessary for our purpose here to enter into any elaborate discussion of the causes which led to the collapse of this industry before and after the 19th century. It would be relevant to observe, however, that this decline was not due entirely to the competition of cheap mill-made goods imported into the country. In most of its noted centres the industry flourished under the court patronage and when this patronage declined the industry also followed suit. Apart from this, a drastic change in the dressing habits of the upper classes, inability of the industry to adapt itself to modern requirements and the prevalence of a demoralising system of middlemen contributed in a large measure to the decline of this ancient Indian industry. In spite of all this, however, a large internal market was still available for the handloom industry. The impact of foreign imports was felt in a full measure, however, with the great changes in methods of transport, including the opening of the Suez Canal and the construction of the network of railways in the country. No doubt in parts of the country, (e.g. Bengal and the Malabar Coast) where, formerly as at present, both men and women wore mostly plain white clothes, mill-made goods captured the markets and weavers lost their occupation, but in a large part of India women in particular stuck firmly to multi-coloured and artistic fabrics which could not be made economically by the mills. But the general trend was one of decline and only a small part of the domestic market in textiles remained with the handloom. A large number of weavers had to abandon their hereditary occupation and a good proportion of them seems to have taken to agriculture.

Decline of Hand-spinning Industry

This decline of hand-weaving also resulted in further consequences. Hand-spinning which provided a subsidiary occupation to the agricultural masses also declined, enabled competition of foreign fabrics, and much unemployment was caused amongst spinners also. Further, the large and growing imports of mill-spun yarn aggravated the trouble and

* *Vide* Mr. M. P. Gandhi's "The Indian Cotton Textile Industry—Its Past, Present and Future," 1937, with a foreword by Sir Purshotamdas Thakurdas, showing in detail the vicissitudes of the industry, from the earliest times to the present day. 240 pages, Price Rs. 3-8.

hand-spinning practically disappeared as an occupation. During the latter part of the 19th century, however, handloom weavers learnt to adjust themselves to the changing circumstances and adapted their looms to the use of mill-spun yarn. Thus, while the old hand-weaving industry depending on hand-spun yarn succumbed before the onslaught of the foreign mill competition, a new hand-weaving industry was born which no longer depended on uncertain supplies of rough hand-spun yarn and got used to mill-spun yarn which could be had in ample quantities and suitable qualities as regards twist, strength and fineness.

Between 1896 and 1914 the competition between Indian mills and handlooms was not serious ; rather the relationship between them during that period was complementary. The first Indian mill was established in 1851, and by 1900, although there were 193 mills with nearly five million spindles, the number of looms was only 40,000. Evidently Indian mills at first concentrated on the supply of yarn and this was of help to the handlooms. Soon they began to supply all the coarse yarn required by the handloom industry, and by the close of the 19th century, foreign imports of yarn became stationary, but the Indian mill production increased by leaps and bounds. For a long time a greater part of the yarn produced in Indian mills was either sold to the handlooms or exported (mainly to China) and only a small part was woven in the mills.

During the period 1896-97 to 1900-01, while Indian mills used about 85 million lbs. of yarn per annum, as much as 200 million lbs. of yarn went to the handlooms. The consumption of yarn by handlooms has been continuously on the increase till 1913-14 when the yarn made available to handlooms (both imported and mill-made) was 258 million lbs., while yarn consumed by the mills was slightly less, i.e. 243 million lbs.

Effects of the First World War—1914-18

The real weakness of the position of the handloom weaver was the unsteadiness in the supply of yarn in abnormal circumstances, like the war. During this period he came to depend entirely for his yarn supply on mills (both home and foreign). This resulted in the handloom sharing in the ups and downs of the mill industry to a large extent. Imports of cloth having diminished during this period, and the internal demand for cloth having increased, Indian mills used a greater portion of their yarn themselves and left much less for the handlooms. While the quantity of yarn available to handlooms in 1914-15 was 272 million lbs. as compared with 246 million lbs. consumed by the mills, the consumption of yarn by handlooms in 1920 was 127 million lbs. as compared with 341 million lbs. by the mills. The production of handloom cloth thus declined by more than 50 per cent during this period of six years, that is, from 1,088 million yards in 1914-15 to 506 million yards in 1919-20. Till 1910-11 the annual handloom production had been more than the mill production, but from that date onwards the mill production began to increase steadily and rapidly and in the years 1911-12 to 1914-15 both lines of production became nearly equal. With the outbreak of the First World War, the mills took advantage of the cessation of imports and increased their production and captured the home market. As

Mr. R. D. Bell properly observed, "the handlooms were finally beaten, and not only beaten but probably severely crippled for the time being."

In the years following the period of the First World War of 1914-18, the handloom was able to obtain yarn more adequately and there was a partial revival in the industry, judging from the increased quantities of yarn that were available to it from year to year. Although mill production advanced during the war, their progress in the early twenties was hampered by various impediments; some mills failed in Bombay, and there were prolonged labour troubles in others. The cotton mill industry especially in Bombay, passed through a severe depression which was aggravated by currency difficulties and foreign competition. Under the stress of various economic, political and social influences of a rather unfavourable kind, the handlooms suffered after 1922-23, but the Indian mills made a rapid stride forward, after 1926. This is partly due to the protective tariff and various political and social influences.

The tariff policy of the Government, *khaddar* movement in the country, and changes in the clothing habits of the people have considerably affected the fortunes of the handloom industry since 1926. Firstly the removal of the 3½ per cent excise duty on mill-made goods in 1926 created an immediate handicap to the handloom weavers. This is not to suggest that the handloom industry could lay claim to the continuance of this obnoxious excise duty, for it was not conceived as a measure of protection to the handloom industry, and whatever benefit it derived was only incidental. Nevertheless, it has to be admitted that while mills got an immediate relief by the removal of the duty, the handlooms received a setback. Import duties on piece-goods were meant primarily for protecting mills and while they succeeded in the object, the handlooms did not appear to derive benefit from them to any appreciable extent. While import duties on piece-goods were thus of doubtful value to the handloom industry, the duty on yarn placed a definite burden on it, in the interests of the spinning industry. It was intended to keep out foreign yarn and to give a fillip to the spinning industry in India, but as the handlooms consumed the great bulk of the imported yarn, the burden of the duty fell on them. The Tariff Board of 1932 observed that "the Indian mill section of the industry has been placed in a better position to compete against the handloom industry which is definitely handicapped by the tariff on yarn, especially those required for the production of cloth with finer counts." It must be admitted that the protective duty on yarn has strengthened the Indian textile industry by diminishing its dependence on foreign yarn, especially of higher counts. While such striking progress in the spinning of high counts yarn in India gave support to the handloom industry by reducing its dependence on foreign imports, it must also be stated that such increase in mill production enabled the mills to compete with the handlooms more effectively by placing on the market *saris* which displaced those made on the handlooms.

Effect of Khaddar Movement

Let us see the effect of the *khaddar* movement on the handloom industry. The *khaddar* movement after 1928 laid stress on hand-spinning as well as the use of Indian mill-made yarn. Both the first and

second non-co-operation movements embraced *Swadeshi* as an important plank of their programme. Boycott of foreign goods was the negative, and the use of Indian goods the positive, feature of *Swadeshi* and the imports most affected by the movement were cotton textile goods from Britain. While the handlooms were benefited in a general way like the mill, by this phase of the *Swadeshi* movement, handloom production of fine *saris* with imported yarn was adversely affected. With the Congress ban on imported yarn there was a natural reluctance to buy such cloth and hand-weavers in certain important centres in Bengal and elsewhere were faced with a serious situation. The Tariff Board (1932) observed: "The strong prejudice fostered against the use of imported yarn has in various parts of the country prevented the handloom weaver from finding a sale for cloth of finer counts woven by him, and this has happened at a time when as a result of protective duty on yarn his cost of material relatively to cloth has been considerably increased." Mr. Kasturbhai Lalbhai of Ahmedabad, giving evidence before the Tariff Board in 1932, stated that the ills of handloom weavers were not due so much to the import duty on yarn as to the "great *Swadeshi* movement which has come over the country and which hampers him from marketing his goods made from the imported yarn." While producers of cloth from finer counts were thus affected adversely, weavers who made coarser cloth benefited generally.

Effect of Change in Clothing Habits

Another factor, namely, the change in the clothes and dressing habits of the people, helped the mills greatly in expanding their market. In general, the change has been towards simplicity and plainness in attire. This preference for a simpler attire and the growing distaste for ornamental cloth and elaborate colouring put a premium on mill cloth. Lace-bordered dhoties and chaddars became less common. Pagri, pheta or safa has fallen in great disuse. While formerly about 70 per cent of the men wore some kind of turban, today a very small proportion of the people wear such head-dress even in rural areas, and caps of all kinds, including Gandhi caps, have now been substituted. The demand for hand-woven turbans has almost completely disappeared. An equally revolutionary change has been found in the dress of children, both boys and girls. While formerly boys wore little dhoties or pyjamas, today a large number, especially in towns, wear khaki shorts and knitted vests. Little girls today, especially in towns, wear frocks and not *saris*. Hand-weaving industry has thus a negligible share in the present mode of dress of children, and this has greatly affected the fortunes of the industry.

It is thus the change in the dressing habits of people, both in India and abroad, which have been responsible for the loss of markets for particular classes of weavers. Competition between mills and handlooms has also ensued and grown. Handlooms have found themselves unable to adjust the production of the changing demands, while mills have seized the opportunity.

Growth of Small-scale Powerlooms in various Centres

Another interesting factor which needs mention is the emergence of another new rival to the handloom in the shape of small powerlooms.

These powerlooms have been growing in many centres, especially in Bombay, C. P. & Berar, the Punjab, Hyderabad and Mysore. In Bombay, these powerlooms have been introduced in centres where the handloom had been deprived of its markets and were worked by weavers who formerly plied the handloom. These powerlooms have been able to get down their cost of production and have proved a serious rival not only to handlooms but to mills also. These were about 15,000 powerlooms * in the whole of India, as many as 6,400 being in the Bombay Province alone. These small powerlooms carefully observed the changes coming over women's dress and captured this market. Thus, the three-cornered contest which commenced in the 19th century between handlooms, imported cloth and the Indian mills, has now become a four-cornered one. This has already had repercussions on the mill as well as on the handlooms, but the less resourceful party, i.e. the handloom, has been worst hit.

Apart from this the trade depression after 1929-30 has affected the weavers owing to the fall in demand, which followed the decline in the purchasing power of the masses. The decline in the prices of primary products began before 1929-30 but became much sharper after that. It is important to note that India is essentially a price market and any fall in the purchasing power of the masses is bound to accentuate this tendency. The Tariff Board (1932) summarises the position thus: "The severe trade depression which has prevailed since 1929 has seriously reduced the average earning capacity of the handloom weaver. The effect of the depression has been accentuated by the relative increase in the cost of yarn on account of the protective duty. Thus the position of the handloom weavers, in comparison with the mill industry, has considerably deteriorated since 1927."

In the early thirties, the condition of the handloom industry reached a pitiable stage. Unemployment was rife in most important centres and even where there was some employment, the weaver was only getting a pittance. It may be argued by some that in spite of the decline of production in some areas, production of handlooms in India as a whole has been maintained and that on the balance, the decline is not great. In this connection it is to be remembered, however, that production is not a safe criterion in the case of an industry like hand-weaving pursued hereditary by certain classes or castes. A mill will close down if it does not earn a profit, but the handloom will go on even if it brings no profit because the weavers depend upon it helplessly for their livelihood. It is even said that the weaver works longer and produces more where wages come down in order that he may make up by quantity what he loses in price per piece. The increased use of fly-shuttle sleys has also created an influence on output. The Tariff Board (1932) has summarised the position very cogently thus: "Since the handloom weaver cannot regulate his production according to the state of the market without risking starvation for himself and his family, the true criterion for judging the position of the handloom industry is not the proportion of the quantity of cloth woven on handlooms to the total production but of the wages earned by the handloom weaver. Judged by this test,

* Only 6,378 powerlooms use cotton yarn; and their total consumption of cotton yarn was estimated in 1938-39 at about 9 million lbs.

his position on the evidence we have received must be regarded with some concern."

Direct Governmental Financial Help to Industry till 1946-47

The serious condition of the weavers aroused the interest of the Government of India. Up to this time only Provincial and Indian States Governments were trying to help the industry. In some Provinces improved appliances, especially fly-shuttle sleys, were introduced. Grants-in-aid were also given to some weaving schools. Demonstration parties were also at work. But such spasmodic help was not of much use in counteracting the forces working against the weavers after 1930. The Provincial Governments were deeply concerned about this situation and finding that the problem could not be tackled except on an all-India basis, they met at an Industries Conference at Simla in July 1933. While the suggestion of the Madras Government for levying a cess on Indian mill yarn with a countervailing duty on Indian and imported cloth did not receive general approval, the possibility of grant-in-aid from the central revenues was considered and a sum of Rs. 50,00,000 was distributed in 1934-35 and utilized by Provinces for approved schemes.

This grant marks a distinct stage in the history of Governmental efforts at helping the handloom industry. Provincial Governments utilized it for launching schemes of marketing, improvement of designs, etc. But it was realized that financial aid, however generous, was not sufficient to remove the handicaps that were hampering the industry's progress. The Tariff Board (1932) examined the various proposals in this connection, especially restriction of mill output in classes of cloth which form the bulk of the output of the handloom industry, but found it impracticable and was only able to make an exhortation to the mills to regard it as an essential obligation arising from the grant of protection, to refrain from entering into unfair competition with the handloom industry so as not to impair its relative position. This annual grant of rupees five lakhs was stopped from April 1947.

Decline in the Position of Industry During and After World-War II

After the outbreak of the present war in 1939, there was for some time a general expectation that hand-weaving would receive fillip as happened during the war of 1914-18, but such an expectation has been completely belied. During the First World War the mill industry was in a comparatively undeveloped state and was unable to cope with some of the new requirements. This enabled the handlooms to get a share of the new war demands. The position of 1945 of the mill industry is quite different. Besides, while during the 1914-18 World-War, the handlooms could obtain foreign yarn at least from Japan, there was no possibility of obtaining yarn from any foreign country during the 1939-45 World-War II and India has not only had to supply its own yarn but to supply yarn to other countries, especially the Eastern Group. The result was a great scarcity of yarn supplies, particularly after April 1941, and this has affected the handloom industry adversely.

The weaving activities of the mills in the country having increased (several working more than one shift) since 1942, and imports of yarn having completely stopped, there was a reduction in the quantity of yarn available to handlooms. At the same time, there has been little increase in the quantity of hand-spun yarn during this period (and with the stipulation made from May 1945, viz. supply of a small quantity of hand-spun yarn for purchase of every unit of cloth by a customer to *Khadi* Bhandars run by the All-India Spinners' Association, and the stipulation made in 1946 for *Khaddar* being supplied by the All-India Villagers Association to those who spin the yarn themselves, it is likely that the production of hand-spun *Khaddar* will decrease). This condition has been relaxed since 1949, but even so, handspun yarn is on the decline.

Yarn Distribution to Industry since 1945

The total quantity of yarn available from Indian mills was distributed by the Textile Commissioner to the Provinces and States under the All-India Yarn Distributing Scheme. Further distribution to the handloom industry and other miscellaneous consumers like power-looms, hosiery factories, etc. is made by the Provincial and State authorities. Details about the actual quantity of yarn distributed to the handlooms are not available, but 9,65,985 bales of yarn in 1945 and 9,87,560 bales of yarn in 1946 were made available to the Provinces and States by the Textile Commissioner's office. According to the Textile Commissioner the estimate of production of cloth by handlooms was 1,500 million yards in 1945, and 1,300 million yards in 1946. The yarn is distributed generally through Co-operative Societies, particularly in Madras, Bengal and U.P. Yarn supply in 1948-49 is shown by count groups to various areas in Table No. III in the Appendix.

The yarn supply in 1949 was plentiful, looking to the offtake by handlooms which could not utilise all the yarn allotted, due to the general decline in demand for cloth and large stocks.

Size of Industry: Number of Handlooms

Let us now take a rapid view of the size of the industry. The total number of handlooms in India, excluding Burma, according to the information available to the Fact-Finding Committee, whose report was published in 1943 and to which we have made a reference elsewhere, is about 2 million.* The number of active looms is about 17,00,000, more than 2,65,000 being reported to be idle. The percentage of idle looms thus works out to about 13 per cent. Classified according to textiles

* No up-to-date census of handlooms has been undertaken by the Provinces and States. Since then, the present estimate for the Dominion of India is 25 lakhs (1949).

in the weaving of which they are engaged, it is found that a great majority of the looms are engaged in cotton weaving. Over 14,00,000 looms were engaged in cotton (72 per cent), 99,000 looms in wool (5 per cent), 3,71,000 looms in silk weaving (16 per cent), 25,000 looms in artificial silk (1 per cent), and 1,00,000 looms in other textile mixtures (6 per cent).

In a broad sense, handloom weaving includes weaving of all types of fibres of vegetable, animal, mineral and chemical origin.

Types of Handlooms

In regard to the types of handlooms, we find that today out of a total of 2 million handlooms in India, about 64 per cent are throw-shuttle looms, 35 per cent fly-shuttle looms and 1 per cent of other categories. It is certain that 20 years ago the number of fly-shuttle looms was far less and credit for the increase in the number of this type of loom must go to the endeavours of various Provincial Governments who have popularized them. It will be noted that the proportion of fly-shuttle looms is largest in Travancore (89 per cent), Madras (81 per cent), Mysore (78 per cent), Cochin (73 per cent), Bengal (67 per cent), Bombay (55 per cent), and it is low in the Punjab (5 per cent), Orissa (15 per cent), and in the United Provinces (19 per cent). While in Bengal the total number of looms has fallen with the increase of fly-shuttle sleys, the total has only risen in Madras, indicating that production has advanced more in the one than in the other.

Number of Workers Employed

Obviously, there are serious difficulties in counting workers in the hand-weaving industry as it is functioning today. Formerly each weaver was an independent worker. But today a great majority of them work for a wage under a master-weaver, *mahajan* or *karkhanadar*. The condition of the industry is, however, still unorganized, most of the weavers still working in their own homes, and there is no facility for collecting periodical returns as in the case of mills. According to the Fact-Finding Committee, however, the number of weavers is 14,34,000 whole-time, and 7,47,000 part-time, the total being about 24,00,000 (including 1,75,000 estimated for smaller States). The number of paid assistants was 2,53,000, and unpaid 25,73,000. Thus, the total number of weavers for All-India is 24,00,000, while with the addition of auxiliary workers who assist them, some paid and others unpaid, estimated at about 36,00,000 by the Fact-Finding Committee, the total number of workers is about 60,00,000 for the 20,00,000 looms working in India. In addition to these, there are the dependents whose number cannot be less than 40,00,000.

Assuming that each of the 24,00,000 weavers has to support besides himself, 3 persons on an average, it can be assessed, observes the report of the Fact-Finding Committee, that the total population depending on the industry must be round about 10 millions.

Small-scale Powerlooms *

It has been difficult to estimate with any exactitude the actual number of powerlooms operating in the country. According to the information which the Fact-Finding Committee was able to gather in 1941, there were about 11,640 power-looms in the Provinces and States of which 6,350 or more than half (55 per cent) were in the Bombay Presidency. Next to Bombay came the Indian States, of which Mysore had 1,300, and Kolhapur also 1,300. The rest were scattered in the Punjab, C. P., Berar, Madras, Hyderabad, Baroda and Bihar. 58 per cent of these power-looms were then engaged in cotton weaving, 10 per cent in artificial silk, 14 per cent in silk, 8 per cent in mixtures and 3 per cent in wool.

A noteworthy factor of considerable interest has been the increase in the number of power-looms all over the country during the last 5 years. According to the information available to the Cotton Textile Directorate, there are 1,830 factories with 18,758 power-looms all over the country. Of these 1,325 factories with 5,389 power-looms were located in Bombay Presidency, as many as 332 factories with 3,869 looms being in Surat alone.†

The prices of handloom cloth are higher than cloth made by power-looms but in the present shortage, no serious competition between the two is felt.

All these power-looms specialise in the production of different kinds of cloth at different centres, Surat, for instance, specialising in coating and shirtings, Malegaon in loongis, Sholapur in saris, etc. Previously, these power-looms in Surat and other centres depended almost entirely on Japanese art silk yarn, but since 1941, they are mostly dependent upon the supply of Indian mill-made yarn only.

Statistics of Handloom Production

An estimate of the total production of cloth on handloom would perhaps give a better index of the progress of the handloom weaving industry than the number of handloom weavers. Besides, it is an integral part of the national dividend of the country and a measurement of it is essential from many points of view. It is unfortunate, however, that accurate statistical computation is not possible in the case of a non-organized industry like hand-weaving, pursued in small units and scattered all over the country. The Fact-Finding Committee, however,

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* Reference to powerlooms in this context is only to small powerloom factories, and not to powerlooms in the large mills of the country. The number of such powerlooms in mills is 2,03,000 at present.

† A comparison with the number of powerlooms now reported with the number stated in 1941 by the Fact-Finding Committee in the previous paragraph will show an increase of about 7,000 over All-India. Perhaps the Committees' estimate did not include powerlooms installed in Hosiery Factories, Rope Factories, etc. and that might explain to some extent the large increase, which is difficult to reconcile otherwise, particularly as it was not possible to manufacture many new powerlooms during the war-period.

There is no reliable information regarding the number of factories consisting of less than 25 powerlooms. Nor is any reliable information available regarding the yarn made available to these powerlooms estimated in 1949 at 22,000.

went into the question very closely and arrived at the conclusion that the quantity of handloom cloth (cotton) on the basis of the number of handlooms and the average normal pre-war output per handloom may be estimated at 1,617 million yards,* assuming a rough average working season of 200 working days of 9 hours each.† The estimate made by the Fact-Finding Committee of the total value of hand-woven cloth in India (in 1939) works out to Rs. 72 crores, value of cotton cloth being Rs. 47 crores, silk Rs. 15 crores, artificial silk Rs. 4 crores, and wool Rs. 3 crores. This was the position immediately before World War II, that is, in 1939.

A word in regard to the structure of the handloom industry would be useful at this stage.

Structure of Handloom Industry ; Weaving largely a full-time Occupation

Although essentially hand-weaving is a cottage industry, there are elements in it which are somewhat allied to the factory system and for which intervention of financiers is greatly responsible. *Enquiries made by the Fact-Finding Committee have shown that hand-weaving at present* is a full-time occupation. The Committee takes exception to the statement of the Tariff Board (1932) that " for a large number of those who are engaged in it, it is a secondary occupation ancillary to agriculture ", and has found that the great majority of weavers in India, with the exception of Assam, are full-time workers. The proportion of full-time weavers is 99 per cent in Sind, 88 per cent in Bombay, 87 per cent in Madras, 81 per cent in the Punjab, 75 per cent in the United Provinces and 75 per cent in Bengal. Nearly all the weavers of Travancore and Cochin, 97 per cent of the weavers in Mysore and 85 per cent of those in Hyderabad are full-time workers. The only notable exception is Assam, where hand-weaving is pursued as a full-time occupation in only a few places. In Assam, while every woman is expected to spin and weave as part of an age-old custom, men work the looms only during two months (November to January) when agricultural operations are slack. While hand-weaving is a common occupation to all in the Assam Valley, it is the function of special castes, at any rate among Hindus, in the rest of India.

Handloom Industry—Urban or Rural?

According to the popular view, handloom weaving is essentially a village industry and is carried on mostly by independent weavers. This is still largely the case in backward tracts of the country, but it is no longer true of the most important hand-weaving tracts. With the development of communications, markets were extended and trade grew between distant parts. From early days, speciality fabrics from India

* It has been assumed that 1 lb. of yarn is equal to 4·57 yards in the case of handloom cloth. In the case of mills, 5·24 yards of cloth have been estimated as the production for 1 lb. of yarn. In the case of handloom cloth made from hand-spun yarn, the estimation of cloth woven per lb. of yarn is 3 yards. Thus, on the assumption of 54 million lbs. of available hand-spun yarn, the production of handloom cloth is about 163 million yards from hand-spun yarn.

† The average output per loom per day of nine hours adopted in the estimate is 4 yards from throw-shuttle, 7 yards from the fly-shuttle, and 10 yards (as a flat rate) for the other types of improved looms like Hattersley, semi-automatic, etc.

always found growing markets in certain distant lands. In this state of things the ordinary weaver found himself helpless in his village without credit from a financier or advances from a merchant in the town, and this induced him to migrate to the towns. *As a result of this tendency operating during the last eighty years, hand-weavers are now largely in towns, especially in those areas of the country where production is for distant markets.* In many of the towns the weavers occupy prominent positions in civil life.* Most of the hereditary weaving classes have had nothing to do with agriculture, and indeed some of them have considered agricultural work as *infra dig.* The Fact-Finding Committee comes to the conclusion that, to take the weaving folk as a part of the village population is, therefore, incorrect. Handloom weaving, according to this Committee, has now become largely an urban industry. In Bombay, 45 per cent of the total number of handlooms are found in 26 centres; in Madras, 39 per cent are found in 49 urban centres. The position is nearly the same in Central Provinces and Berar, Hyderabad and other areas. It is true, however, that a large number of weavers are still working in villages, but it is to be noted that although they are residing in villages or hamlets, they have little connection with agriculture.

Changes in Industrial Structure

The industrial structure of the industry has also been affected. In certain areas where production is largely for distant markets and the weavers are financially weak to undertake the risks of price fluctuations, they have become employees of sowcar weavers, although working in their homes, and in some places they have been brought to the workshops or *karkhanas.* Such changes have taken place more in Bombay and Madras than in Northern India. The independent cottage system now predominates only in backward areas.

Types of Middlemen

There are several types of middlemen, including the sowcar weaver (often called the master-weaver) who employs under him weavers mostly of his own caste; secondly, the merchants, either of yarn or of cloth or both, who are keenly interested in the supply of cloth of qualities required and in adequate quantities, and thirdly, the *karkhanadars* who bring the weavers together into small factories or workshops.

The Entrepreneur's position in the Industry

Materially, a class of small entrepreneurs is now controlling the handloom industry in many areas. Whether as *Mahajan* working

* It is interesting to see the proportion of weavers to the total population in certain towns, e.g.

In Shantipur (in Bengal), the weavers' population is 10,000 out of a total population of 24,000, i.e. 40 per cent.

In Sholapur, the weavers' population is 60,000 out of a total population of 1,44,000, i.e. 41 per cent.

In Surat, the weavers' population is 28,700 out of a total population of 99,000, i.e 29 per cent.

In Madura, the weavers' population is 55,000 out of a total population of 1,82,000 i.e. 30 per cent.

through the domestic system or as *karkhanadar* with his labour housed in small factories, such entrepreneurs are today playing a large part not only in the marketing of handloom cloth but in its production also. In 1918, the Indian Industrial Commission reported that such middlemen were not so powerful nor so numerous, but since then the movement in this direction has been rapid and the hand-weaving industry in the more developed areas has come into the grip of a growing number of middlemen. Some of them have indeed sprung from the professional weaving castes, but the majority are outsiders with only a financial interest in the industry and their monetary transactions with the weavers are not always quite fair. This is a matter of great concern to the poor handloom weavers.

The number of independent weavers has greatly diminished especially in the Provinces of Bombay and Madras, where they form only 21 and 28 per cent of the total number. In other areas, like Assam, Bihar, the Punjab, a great majority of them are still independent. The number of employees under the domestic and *karkhana* system has increased generally. The wages of the weavers under nearly all systems are paid on a piece basis. In most cases advances have to be made and later adjusted when wages fall due. The earnings of skilled labourers weaving speciality fabrics requiring skill and carefulness are higher, but as such work is not obtained every day, their total earnings do not amount to much.

Supply of Raw Material

The principal problem, a problem of vital importance to the industry, is the supply of suitable yarn. As a raw material it accounts for a large proportion of the total cost of production of the weaver, ranging from 50 to 60 per cent, or even more, according to the counts and quality of the yarn. It would be clear from this that the uninterrupted availability of cheap and plentiful yarn is a primary condition of the success of the industry. Unfortunately, this primary condition is far from being satisfied at present owing to a multiplicity of factors. So long as the weaver continues to buy yarn in the dearest market and sells his cloth in the cheapest market, it is impossible for him to make a decent living out of his employment. So far as yarn is concerned, there is hardly any doubt, observes the Fact-Finding Committee (page 87), that "the handloom weaver is being mulcted on several fronts by a host of middlemen and parasites, whose existence leads to a 'pyramiding' of the prices of yarn and who have carried on nefarious practices in regard to the quality as well as the quantity of yarn supplied, and fully exploited the ignorance, poverty, and helplessness of the weavers. The malpractices prevalent in the yarn trade in many parts of the country have added to the costs of handloom industry and to that extent handicapped it in relation to its competitors."

The cost of production of the handloom weaver, in so far as yarn is concerned, becomes high, observes the Fact-Finding Committee, on account of (*a*) the profits, legitimate and otherwise, made by the chain of middlemen, (*b*) packing, freight and handling charges, cartage, etc., (*c*) interest charge, and (*d*) the various other charges such as insurance

for fire risk, godown rent, commission and discount paid by the series of middlemen.

Pyramiding of Yarn Prices

The prevalence of a multiplicity of middlemen at every stage in the marketing of yarn leads to a pyramiding of yarn prices and provides numerous opportunities to unscrupulous traders to resort to several malpractices whose incidence ultimately falls upon the poor handloom weaver. Similar to the pyramidical structure of the selling organization, there is also a pyramiding of prices. From the wholesale stage to that of final retailing, each dealer adds his own quota of commission to the price of yarn so that by the time it reaches the hands of the weavers the price becomes considerably inflated.

Kinds of Yarn used

The handloom weaver uses practically every type of yarn from the coarsest yarn made from waste cotton to the finest silk, artificial silk, tassar and mercerized products. Some of these yarns are also consumed by the small-scale power-loom factories. Generally speaking, the village artisan, in view of the demand for inferior types of cloth in local markets and shandies, uses cotton yarn of coarser counts. On the other hand, important centres catering for distant markets and for well-to-do consumers utilize finer yarn made from cotton and the costlier fibres. It is not true, however, to say, observes the Fact-Finding Committee (page 102), that "the handlooms hold a sort of 'monopoly' of coarser counts, or that there is any natural dichotomy under which handlooms may be relegated to the coarser counts and the mills and powerlooms can use finer counts only. In fact, the handlooms in many parts of the country are engaged in the weaving of the finest counts to a far greater extent than is commonly imagined."

The sources of supply of cotton yarn are (1) Indian mill yarn, (2) imported foreign yarn, (3) hand-spun yarn. According to the Fact-Finding Committee, the annual consumption of cotton yarn by handlooms in various parts of India is about 360 million lbs., 274 million lbs. (78 per cent) being Indian mill yarn, 27 million lbs. (7 per cent) being imported yarn, and 50 million lbs. (14 per cent) being hand-spun yarn. These figures were for 1941.

Estimate of Production of Hand-spun Yarn

The figures of mill-spun and imported yarn are easily available but there is considerable difficulty in regard to the figures of production of hand-spun yarn in the country. One thing can be stated, however, with certainty, observes the Fact-Finding Committee, that hand-spun yarn, which once used to be the mainstay of the hand-weaving industry, was long ago relegated to an insignificant position in the textile industry of the country. It is true, however, that owing to the influence of the *khaddar* and hand-spinning movement sponsored by Mahatma Gandhi, lately there has been some resuscitation of hand-spinning especially

under the aegis of the All-India Spinners' Association, and there has been some improvement in the supply of hand-spun yarn owing to the impetus provided by the Congress and the All-India Spinners' Association. The estimates of the production of hand-spun yarn are very varying, but the Fact-Finding Committee has concluded that on the estimate of 5 million spinning wheels being actually in use and the number of spinners being about the same as the number of wheels, the total production would amount to 60 million lbs. (About 35 million lbs. are produced in the Punjab alone). This estimate differs radically from the estimate of the Tariff Board (1932) which placed the production of hand-spun yarn at 24 million lbs. and the estimate of Arno Pears at 2,400 lbs. (It is definite that this writer made a colossal blunder). The Fact-Finding Committee states, however, that its estimate of production of 66 million lbs., which includes production of yarn on *taklis*, is more close to the estimate of 60 to 125 million lbs. made by Mr. M. P. Gandhi in his monograph "How to Compete with Foreign Cloth in India" (page 73), published in 1931.*

The Committee estimates the consumption of hand-spun yarn at 54 million lbs. per year, and the quantity of cloth from hand-spun yarn at 162 million yards, at the rate of 3 yards of cloth to one lb. of yarn in 1939. Mr. M. P. Gandhi's estimate was 180 million yards of cloth in 1931.

Counts of Yarn used

During the past 10 years there has taken place a steady rise in the counts of yarn utilised by the handlooms in the various parts. The following tables from the report of the Fact-Finding Committee (pages 112-115) will be of very great interest in this respect :—

The consumption of different types of cotton yarn by the handloom industry according to counts is given in the following table :—

(In million lbs.)

Counts.	Total consumption of cotton yarn (excluding two-folds)	Consumption of hand-spun yarn.	Consumption of imported yarn.	Consumption of Indian mill yarn.
			0.19	
1–10s	71.71	24.74	0.38	46.79
11–20s	123.63	24.74	0.32	98.50
21–30s	70.48	...	3.91	70.16
31–40s	50.93	...	5.73	47.02
Above 40s	42.57	...	22.65	36.84
Two-folds, etc.	...	...	...	...
Total ...	359.32	49.48	33.18	299.31

* Also *vide* Appendix XXVI on Hand-spun yarn of the Fact-Finding Committee Report.

Annual Consumption (according to Counts) of Cotton Yarns by Handlooms in million lbs. in various Provinces

Province or State.	Counts of yarn.					
	1-10	11-20	21-30	31-40	Above 40	Total
Assam ...	0.42 (6.25%)	2.20 (32.74%)	3.0 (44.64%)	0.75 (11.16%)	0.35 (5.21%)	6.72 (1.87%)
Bengal ...	0.44 (1.5%)	2.52 (8.5%)	14.82 (50%)	5.93 (20%)	5.93 (20%)	29.64 (8.25%)
Bihar ...	6.80 (35.88%)	10.75 (56.73%)	0.89 (4.70%)	0.16 (1.37%)	0.25 (1.32%)	18.95 (5.28%)
Bombay ..	2.81 (6%)	4.67 (10%)	14.96 (32%)	12.62 (27%)	11.69 (25%)	46.75 (13.02%)
C.P. and Berar ..	2.58 (11.83%)	13.00 (59.71%	3.46 (15.87%)	1.79 (8.29%)	0.93 (4.39%)	21.76 (6.06%)
Madras ..	6.13 (7.44%)	28.86 (15.15%)	13.99 (17.04%)	17.58 (21.41%)	15.57 (18.96%)	82.13 (22.86%)
Orissa ...	0.47 (3.19%)	5.79 (39.31%)	4.33 (29.35%)	3.03 (20.55%)	1.11 (7.60%)	14.73 (4.10%)
Punjab (a) ..	31.25 (63.93%)	12.81 (26.21%)	1.88 (3.85%)	0.94 (1.92%)	2.00 (4.09%)	48.88 (13.60%)
U.P ..	14.79 (28.89%)	28.31 (55.29%)	4.31 (8.40%)	2.15 (4.20%)	1.65 (3.22%)	51.21 (14.25%)
Baroda ..	2.42 (80.46%)	0.28 (9.45%)	0.19 (6.40%)	0.11 (3.53%)	0.01 (0.16%)	3.01 (0.84%)
Cochin ...	(b)	0.50 (34.48%)	0.50 (34.48%)	0.35 (24.14%)	0.1 (6.9%)	1.45 (0.4%)
Hyderabad ..	3.16 (17.80%)	8.01 (45.11%)	2.74 (15.48%)	2.35 (13.25%)	1.47 (8.36%)	17.73 (4.93%)
Kolhapur and Deccan States. ...	0.01 (0.37%)	0.06 (2.26%)	1.10 (41.21%)	0.35 (13.10%)	1.15 (43.07%	2.67 (0.74%)
Jammu and Kashmir ...	(b)	0.28 (12.01%)	1.81 (77.68%)	0.29 (9.45%)	0.02 (0.86%)	2.33 (0.65%)
Mysore (c) ...	0.09 (2%)	0.09 (2%)	2.10 (48%)	2.16 (48%)	... ...	4.50 (1.25%)
Travancore ...	0.34 (5%)	5.49 (80%)	0.34 (5%)	0.34 (5%)	0.34 (5%)	6.85 (1.90%)
Total ...	71.71 (19.95%)	123.62 (34.43%)	70.48 (19.62%)	50.93 (14.16%)	42.57 (11.84%)	359.32 ...

(a) It is assumed that all imported mill yarn is above 40s counts.
(b) Negligible.
(c) It is assumed that consumption of yarn is equally distributed between 1-10s and 11-20s and between 20-30s and 30-40s.

We also give below a table showing the consumption of Indian mill yarn for different purposes classified accordingly to counts (1937-40) :

(In million lbs.)

Counts.	Production of mill yarn in India	Consumption of Indian mill yarn by handlooms (Average)	Exports (Average)	Powerlooms Hosiery, Miscellaneous etc.	Balance consumed by mills
1-10s	128.5	46.8	3.9	5.7	72.12
11-20s	581.4	98.5	17.4	25.6	430.94
21-30s	321.5	70.2	9.7	14.3	227.3
31-40s	161.4	47.0	4.8	7.1	102.5
Above 40s	87.3	36.8	2.6	3.8	44.1
Total ...	1280.1	299.3	38.3	56.5	886.0

A summary of the foregoing tables is given in the following table which gives the percentage distribution by counts and the consumption of cotton yarn by handlooms and mills. It will be seen therefrom that the percentage distribution of the mills steeply rises in the range 11-30s, while in the case of handlooms it is more evenly spread out. Thus, both in very low counts and in high counts, the proportion of handloom consumption of yarn is higher than that of mill consumption of yarn. Another interesting point which arises from the table is that below 20s the mills produce 57.7 per cent of their output while the handlooms produce slightly less, viz. 54.4 per cent of their output. *Thus, although the Tariff Board's assertion, in their* 1932 *report* (p. 171), *that "the bulk of the handloom production consists of cloth of counts 20s and below", is no doubt correct, such a statement would be even more true of the mill industry.*

Percentage Distribution by Counts of the Consumption of Cotton Yarn by Handlooms and Mills (1941)

Counts of yarn.	Mills	Handlooms
	(Percentage)	(Percentage)
1-10s	8.1	20.0
11-20s	49.6	34.4
21-30s	25.7	19.6
31-40s	11.6	14.2
Above 40s	5.0	11.8
Total ..	100.0	100.0

The position has slightly altered during the last three years inasmuch as the tendency for production of finer counts by mills is on the increase, due to the prices being more attractive.

Qualities of Handloom Fabrics

Generally speaking, handloom weaving excels in the coloured styles of cloth. This is due to two factors, viz., the warp of a short length can be prepared most economically by hand process and that a number of colours in the weft can be easily introduced reducing the wastage to a minimum. The limited market of such cloths also makes their production uneconomical for the mills. Thus, the handloom's advantage is specially noted in the following types of production: (1) Cloth made from extremely fine material, e.g. yarn of counts above 20s, (2) cloth inter-woven with gold and silver thread, (3) cloth with multi-coloured designs, (4) cloth with embellishment in the border and headings, (5) short pieces of cloth of unique design to meet individual tastes, (6) rough cloth of very low counts such as durris, niwars, where the tensile strength of the yarn is too low for the mills.

Handloom cloth, it must be stated, however, is not free from defects. The chief among them are (1) lack of uniformity in texture, (2) inexactness regarding dimensions, (3) lack of finish, etc.

Types of Handloom Cloth

The principal cloths made at present on the handloom are (1) women's clothing, e.g. *Sari*, which is known to be the most graceful of all the garments worn in India, *Lehnga*, cloth, which is used for making skirts of Hindu women in Northern India, *Susi*, which is used for *salwar* (trousers) of Muslim and other women in the Punjab and Sind, *Cholikhan*, which is the blouse piece worn mostly in the Deccan and Karnatak; (2) men's clothing, which includes dhotis, lungis, chaddars, angavastrams, pugdies or turbans, shirtings and coatings; (3) cloth for domestic use, e.g. towels, carpets, curtain cloth, mosquito curtains, etc., and (4) long cloth, which is common to both men and women.

It would be of interest to note that the *sari* is the most important line of production in Bombay, Madras, Bengal and C. P., while coarse *khadi* is produced chiefly in the U. P. and the Punjab. Of the total cloth produced in Bombay Province, 95 per cent consists of *saris*, while a similar percentage in Madras is 44 per cent, in C. P. 75 per cent and Bengal 40 per cent. 60 per cent of the cloth produced in the U. P. consists of coarse *khadi*, while similar percentage in the Punjab is 43.

Costs of Production of Handloom Cloth

Any proper cost accounting of handloom cloth is at present a very difficult undertaking as the industry is not organised, and the bulk of the weavers hardly keep any account. The Fact-Finding Committee, however, has arrived at some broad conclusions, from which it is found that the cost of material, namely, yarn, varies from 50 to 80 per cent, while the cost of labour varies from 15 to 23 per cent, depending upon the fabric woven. Yarn is, however, by far the largest factor entering into the costs of production. It would be of interest to note that in the manufacture of coloured *saris* (80s x 80s) the cost of yarn and other material is 67 per cent, while labour is 33 per cent. In the case of *dhotis* (120s x 110s) the cost of yarn is 36 per cent and labour is 62 per cent, while in the case of *dhotis* (20s x 20s) the cost of yarn is 60 per cent and labour is 40 per cent.

Marketing of Handloom Cloth

At the outset it is important to note that *it is an incorrect notion that handloom production in India is largely meant for domestic consumption in the rural areas.* With the exception of two Provinces, like Assam and the Punjab, the domestic consumption of handloom production, that is, by the weaver himself, is very small and in some cases negligible. The Fact-Finding Committee, on the basis of information supplied to it by some of the Provincial and State Governments, came to the conclusion that practically everywhere, except in the Provinces of Assam and the Punjab, a very large proportion of handloom production is meant for sale in the market, local, inter-provincial, or foreign. In Madras, for instance, 5 to 10 per cent is for home use, and 80 to 90 per cent for sale in the Indian market, while 5 to 10 per cent is for export. In the Punjab 50 per cent is for home use, 35 per cent for sale in the Indian market and 15 per cent for export. In Mysore practically

no cloth is produced for home use and 100 per cent of the production is for sale in the Indian market. In Assam 80 per cent is for home use and 20 per cent for sale in the Indian market. (Report page 135.)

Handicaps of Handloom Marketing

The handloom weaver is considerably handicapped in the absence of a proper and well organized marketing agency for the sale of this cloth. He is generally at the mercy of the cloth dealer who charges him a substantial commission for retailing the cloth. The present system of marketing handloom product is a very costly one and the high cost of marketing impinges upon the residual income of the weaver. The prices of handloom products are, in the ultimate analysis, fixed by the entire cloth market, and the pace of these prices is set to a large extent by the prices of mill-made piecegoods. The organization for sale of cloth manufactured from handlooms compares very unfavourably with the organization set up by the mills who are very well organized. It has been estimated by the Fact-Finding Committee that the percentage of middlemen's profit on certain speciality fabrics varies from 5 per cent to as high as 46 per cent. The cost of marketing being thus prohibitive, the principal problem for the handloom weaver is of reduction in the marketing costs. The handloom also seems to suffer by the differential railway charges on cloth or yarn. The present railway rates show no concession to handloom goods. It has been suggested that the railways should reduce the unit of concession from a bale to a bundle, so that the ordinary weavers may also be benefited by the concessional rates. It has also been pointed out that the railways classify mill goods under class " F ", while handloom goods are classified under class " A ", and special concessions are shown to the former. While the parcel rate from Ahmedabad to Madras is Rs. 9 and the goods rate is about Rs. 5, the railways charge a concessional rate of Rs. 2|2 inclusive of terminals for mill goods. Another handicap suffered by the handloom product is that the concessional freight rates cannot be enjoyed by it as the goods are transported in unpressed condition.* The difference between the rates charged on machine-pressed bales of mill products and on half-pressed or kutcha bales is as much as 30 per cent, that is, the charge on the latter is higher to that extent. The railways can help the handlooms by reducing the freight rates, and by taking more care of handloom products while they are in transit or in the railway yards in order to prevent them from being damaged by exposure to sun and rain in the railway yards. Another handicap of the handloom product is lack of standardization in the industry. Such standardization of prices and quality is of particular necessity in the case of fabrics intended for the inter-provincial and foreign markets, and if achieved, would be of great help to the handloom industry.

Export Trade—Necessity of Development

The Indian handloom fabrics have considerable export markets in the countries of the African and Asian littorals, but here again it may be said to be a rival to the mill industry because the latter has also large markets in more or less the same countries. The principal countries to which handloom fabrics are exported are Burma, Federated Malay

* Some concession in this respect and in regard to the freight was given in November 1949. (See previous page.)

States, the Straits Settlements, Ceylon, Siam, Zanzibar, Borneo, Java, Sumatra, the United Kingdom, British West Africa and French West Africa.* In most of these countries, the consumers are largely Indian labourers who have settled there and have carried with them their tastes and habits of dress. A great bulk of the exports of handloom cloth takes place from the Madras Province, and considerable quantities are also exported from other provinces, particularly Bengal, U.P., Punjab, Sind, Bihar and Bombay.

It has been computed by the Fact-Finding Committee that the exports of handloom cloth correspond to about from 1|4 to 1|3 of the total exports of cotton piecegoods from India. The export trade has experienced considerable fluctuations; especially in Madras handkerchiefs, the condition of the trade has been very unsatisfactory in recent years. It would be very helpful to the industry if the export trade in handloom fabrics is properly organized, which can be done if Government were to regulate exports and license exporters who should be required to export goods according to particular specifications. Official agencies may also be utilized in foreign countries to develop various markets by extensive propaganda and maintenance of museums of handloom products, and arrangements may be made for providing credit facilities from Banks and other agencies to the exporters of handloom products.

Handlooms' Competition with Mills

Divergent views have been expressed in regard to the question of competition between mills and handlooms in India. The handloom weavers throughout the country believe that their troubles are mainly due to mill competition. On the other hand, important organizations like Millowners' Associations of Bombay and Ahmedabad deny the existence of competition between mills and handlooms. The Bombay Millowners' Association assert that the mill and handloom industry are complementary rather than competitive, and they flatly deny the allegation that mills have encroached on any styles of goods produced by the handlooms. The Fact-Finding Committee examined this question in great detail and stated that competition between mills and handlooms cannot be denied, and observed that the contention that these two sections of the Indian Textile Industry are complementary is not tenable at present. The relationship, they observed, was to a great extent complementary before 1925, but things have changed much since then. Even now the two are complementary in a narrow field; but there is competition, both direct and indirect, over a wide range of counts of fabrics. The Fact-Finding Committee also remarked that during the last decade mills have increased their production of certain styles and types of fabrics traditionally associated with handlooms; the handlooms have also in turn tried to imitate certain styles which the mills had long adopted. This Report also states that the view held by many handloom weavers that all their ills are due to mill competition is even more untenable in some respects. The replacement of some of their fabrics was due more to change of fashions, and what the mills did was to produce something for which there was a growing demand. It is extremely difficult, however, to draw a line between fair and unfair competition,

* Since the partition of India in August 1947, Pakistan is an important market for lungies, etc. It is now lost to us since September 1949.

and according to this Committee, while there exists severe competition of the legitimate kind, unfair competition is not much in evidence, and in certain cases, wherever some injury has resulted to handlooms, cloth dealers rather than mills have been largely responsible.

Have Mills replaced Handloom Cloth?

The question whether mills have replaced handloom cloth is not very easy to answer. The Fact-Finding Committee have examined this question in close detail and have observed that while there has been a substantial increase amounting to 706 per cent between 1901-02 and 1936-37 in the production of mills, the increase in the production of handlooms has been only 53 per cent. The mill production in 1901-02 was 389 million yards and 1936-37, 3,220 million yards, while the handloom production was 827 million yards in 1901-02 and 1,265 million yards in 1936-37.* A reference, however, to the percentage share of consumption enjoyed by imported cloth, mill cloth, and handloom cloth will show that the handloom industry has maintained its position at a fairly steady percentage during the period although there have been minor fluctuations. For instance, during the last war of 1914-18 the share of handlooms went down considerably and it rose thereafter and has been more or less steady since. On the other hand, the share of the mills rose enormously before and during the last war and suffered a slight decline thereafter and is rising steadily during the last decade. In the case of imports the decline has been fairly continuous. Thus the Millowners' contention that they have replaced imported cloth appears to be correct.

We give below a table from the report of the Fact-Finding Committee (page 157) giving the relative consumption of mill, handloom and imported cloth in the Indian market between 1901-02 to 1936-37 :—

Relative Consumption of Mill, Handloom and Imported Cloth in the Indian Market

Year.	(In million yards) Net imports	Percentage of total.	Retained mill production after deducting exports.	Percentage of total.	Handloom production.	Percentage of total.
1901-02	2,042	62 7	387	11.9	827	25.4
1906-07	2,193	56.5	588	15 1	1,102	28.4
1911-12	2,362	52 9	1.020	23.8	995	23.3
1916-17	1,771	48.3	1,297	35.4	598	16.3
1921-22	980	28.4	1,529	44.4	938	27.2
1926-27	1,750	34.9	2,068	41.0	1,217	24.1
1931-32	760	15.7	2,768	56.9	1,332	27.4
1936-37	753	14.4	3,220	61.5	1,265	24.1

It is important to see the nature and extent of the competition that has been going on between handlooms and mills. The 1932 Tariff

* *Vide* Table No. IV in the Appendix for production of handlooms upto 1947-48.

Board observed that the bulk of the handloom cloth was of count 20s and below, but the Fact-Finding Committee believe that such a statement was not correct in 1932, and that at any rate it is not quite correct at the present time (1941).

We give below a table from the report of this Committee which gives the annual consumption of yarn of different counts by handlooms in 1941 :—

Annual Consumption of Yarn of different Counts by Handlooms

Province	1-20s Percentage.	21s-40s Percentage.	41s-60s Percentage.	Above 60s. Percentage
Bengal	10 0	70.0	16.0	4.0
Bombay	16.0	59.0	20.0	5.0
Madras	42.6	38 4	12.4	6.6
Orissa	42.5	49.9	6.5	1.1
Bihar	92.6	6.1	1.0	0.3
Punjab	90.1	5.8	3.7	0.4
U.P.	84.2	12.6	2.7	0.5
C.P. and Berar	71.6	24.0	3.2	1.3
Average	54.4	33.8	11.8	

A glance at the table will show that while 54 per cent of the total cotton yarn consumed in India is still below 20s counts, the percentage of such yarn is as low as 10 per cent and 16 per cent respectively in such important areas as Bengal and Bombay. About 86 per cent of the total yarn used by handlooms in Bengal and 79 per cent in Bombay is between 20s and 60s. Madras and Orissa come next with 51 per cent and 56 per cent respectively. Subsequently, Indian mills have been devoting attention to spinning yarn of high counts and to the manufacture of finer saris and dhotis from such yarn. In this way, mills entered a new field in which competition with hand-woven goods are inevitable. It was mostly in Bengal, Bombay and Madras that saris and dhotis of fine counts were formerly produced in large quantities; and the fairly numerous middle-class population that these goods catered for are also mostly in those areas. Therefore, when mill-made saris and dhotis became popular, the result was injurious competition with the handloom industry.

Various kinds of Competition in respect of Fabrics

Direct competition is noticeable in many parts of India in respect of hand-woven saris which have to compete with mill-made saris and dhotis of nearly identical counts, dimensions, colour and borders and in such dealings the consumers' choice is decided by price rather than by quality. This is a peculiar feature of Indian economy, due to her extreme poverty, to which we have referred in earlier pages.

Changes in Dresses of People

Important changes which have taken place in the clothing requirements of the people throughout the country, both in the style of gar-

ments and in the type of fabrics used, are also responsible for a certain amount of competition. These changes have greatly increased the demand for mill-woven cloth and depressed the market for hand-woven cloth. The Fact-Finding Committee of 1941, after a very careful investigation, came to the conclusion, that among men throughout India the use of turbans has greatly diminished, shirts and kurtas have come into common use and that the demand for chaddars and *angavastrams* has fallen. Among women, generally, the use of blouses has become common, throughout India. In the North, the sari has largely replaced the traditional Hindu (*lehnga* or *ghagra*, and *kurta*) and Mussalman (*salwar*, *kurta* or *dupatta*) forms of dress. The use of knitted goods has increased everywhere, especially among men.

Great increase in use of Saris and decrease of use in Turbans in U. P.

The information received from the United Provinces is the most striking, and the most noteworthy changes there between 1914 and 1941 are in regard to women's clothes. The proportion of women wearing *lehngas* has fallen from 95 per cent to 5 per cent in urban areas and from 100 per cent to 40 per cent in rural areas, whilst the proportion of women using saris has increased from 5 per cent to 95 per cent in urban areas and from nil or negligible per cent to 60 per cent in rural areas. This change has been noticeable between 1914 and 1941. In regard to men, the change in respect of the head-dress is the most striking between these years. In towns, 5 per cent of the people wore turbans in 1914; hardly anyone wears it today (1941). In rural areas, the proportion of turban users has fallen from 70 per cent to 10 per cent. At the same time the proportion of cap-wearers has increased from 60 per cent to 85 per cent in towns and 5 per cent to 35 per cent in rural areas.

The Fact-Finding Committee observe that while one may not agree about the exact proportions, the general trend is unquestionable.

Quality Competition

Competition of a somewhat different category came to operate when middle-class people of both sexes began to prefer light mill-made saris and dhotis to the traditional heavy lace-bordered saris and dhotis previously worn. All over India, Hindu men of higher castes used to wear lace-bordered dhotis and especially for high-caste Hindus it was a prescribed religious custom to wear certain handloom clothes like *pitamber* or yellow silk garment on special occasions. During the last few decades, such habits have fallen into desuetude, and men, especially younger men, have begun to wear plain mill dhotis. In this way the celebrated dhotis of Bengal and lace-bordered dhotis produced in Salem have gone out of fashion and those who had been making such dhotis have lost their employment. The superior handloom dhotis of Petlad (Baroda) were first replaced by Manchester dhotis which in turn have been replaced by Indian mill dhotis. In Madras, formerly coloured silk and cotton hand-woven saris of nine yards length had been the fashion, but now women wear shorter mill-made saris on all occasions and generally they are white or of light colour.

Price Competition

Had the competition been only indirect, i.e. from one style of garment to another, the position of the handloom would not have been so materially affected. But what really happened was that side by side with such indirect competition there was also going on a much more direct competition, i.e. one fabric replacing another of similar kind by being cheaper. Such a competition was greatly helped by the steady fall in the prices of piecegoods from 1926 to 1936—a factor which greatly weakened the competitive power of the hand-woven cloth. Prices of mill cloth went down owing to internal and external competition, but the handlooms were not able to keep pace with this. According to the Fact-Finding Committee, it meant to them straightening their belt or closing down.

The most serious competition of the mills has been, according to the report of the Fact-Finding Committee, in saris of 20s to 40s counts. This has been so, particularly because the consumer gets the fabric that he is accustomed to use, with a slightly more finished appearance and at a lower price. This naturally makes him prefer the mill fabric. In the case of dhotis, as in that of saris, direct mill competition, observes the Fact-Finding Committee, is in respect of medium counts.

Small-scale Powerloom Competition

A more serious rival to the handloom industry than mills, states the report of the Fact-Finding Committee, has risen in the small-scale powerloom factories. *This rival combines in itself, owing to its medium scale production, the advantages of both mills and handlooms. It can utilise cheap electrical power and avail itself of the modern appliances in weaving. The competition of powerlooms is a growing phenomenon of recent times.* About 15 years ago, the handlooms had nothing to fear from them. Powerlooms are not subject to any irksome restrictions such as the Factories Act or special taxes. This being so, they are a source of competition in important lines to the mills as well. The cost of production in powerlooms is comparatively low owing to small overhead charges and economies of mechanical production. Thus, the contest has now become a three-cornered one. There is a serious competition of the powerlooms in Surat, Sholapur, Dhulia, etc. with the hand-made coloured saris of Navsari, Ganderi and Sholapur. The powerlooms in Bombay-Deccan have specialized in saris produced from mercerized and doubled cotton yarn. A large number of handloom weavers in areas where such small-scale powerlooms operate have lost their hold on the market. In the future also, the small-scale powerloom is likely to be a greater menace to the handlooms.

It is very difficult to state with precision how exactly the average cost of manufacturing of cloth in a powerloom would compare with the cost in an ordinary mill, as there are several varying factors that come into play. Roughly, however, the cost of manufacturing cloth in a powerloom would be in a place like Bombay about 15 per cent higher as compared with the cost in an ordinary mill; as Colours, Dyes, etc. can be obtained more easily in Bombay as compared with an out-of-the-way place like Bijapur, where the cost may be 20 to 25 per cent higher.

It is also certain that these powerlooms which are growing in number and in importance are becoming keen competitors with handlooms and unless some suitable and organized action is taken, it will be impossible to help handloom weavers whose competitive strength in relation to both powerlooms and mills will decrease, owing to the numerous handicaps under which they have to work.

Consequences of Mill Production on hand-weaving Industry

It is extremely difficult to assess statistically the consequences of mill competition on the hand-weaving industry. The Fact-Finding Committee, after a detailed enquiry, states, however, that it is possible to get a general idea of the trend. It states that competition has been keenest in areas like Bengal where white clothing has been in vogue. On the other hand, where coloured clothing is used, mill cloth has not made much headway. This Report observes that twenty-five years ago, the typical wardrobe of a young woman in Madras would consist of four lace-bordered silk saris for special occasions, four ordinary silk saris and about four ordinary cotton saris for everyday wear, making a total of twelve; and all the twelve saris would be hand-woven. To-day, a young woman of the same class would have about double the number of saris, of which two or three would be silk hand-woven saris for special occasions, possibly bought for her wedding, one or two imported georgette and voile saris for parties and a khaddar sari or two bought from khaddar exhibition. All the rest would be Indian mill-made cotton saris for everyday wear. Twenty-five years ago Hindu women of the upper class wore no mill-made saris, at any rate, on ceremonial occasions or at parties; nor did they wear white saris, as white was considered inauspicious and improper. Since then, the idea of wearing clothes washed and ironed by the dhobi has taken fast root and this has had much to do with the increased use of white saris or saris of light colours made in mills. This idea, however, has not so far appealed to the working-class women, because they believe rightly or wrongly that mill saris do not last long and, therefore, in spite of hand-woven saris being dearer, they continue to use them. This consideration does not weigh with the middle-class and upper-class women because "*modern women do not want their saris to last long; they want to buy them cheap, wear them out quickly and renew their wardrobe again.*" Therefore, "plain white saris, patterned white saris, lightly dyed saris and all mill-made saris are considered the right kind of wear for school, college, hospital—for any place outside the home. Hand-woven cotton saris are definitely the wrong type of clothes outside the home, and silk saris, though considered fit for parties and home wear, are again not as corerct a wear as white mills saris fresh from the laundry."

"In 1920, a college girl at Madras from a Hindu home would own about 5 to 10 *Kornad* saris and 3 to 4 hand-woven cotton saris of all deep colours (black, red, chocolate, green, brown, plain or patterned). A present-day Hindu college girl would own three or four silk saris of which one or two might be *Kornad* and the others foreign silks, and about two dozen cotton saris of which a dozen are likely to be of light colours (also mill-made)". (*Vide* page 176 of the Report of the Fact-Finding Committee).

It will be clear from the above why the competition between hand-woven and mill-made saris has turned out largely against the former.

The Handloom's Sphere

While a certain amount of adjustment has been taking place by the handloom weavers changing their line of production, when faced with the loss of markets for particular kinds of goods, it would be incorrect to assume that all the weavers affected by competition would have been re-employed by the shift to new lines of production. On the basis of the information available to it, the Fact-Finding Committee states that unemployment and under-employment have increased among weavers. It also observes that handlooms have an advantage over the mills in weaving multi-coloured varieties of cloth which could not be economically produced in the mills, solid-bordered saris, striped and checked saris with various colours and designed borders, extra-weft figured saris (like Benares saris), saris with gold-laced border striped and checked, cotton-and-silk-mixed saris, silk-bordered cotton saris, loom-embroidered all-overs (swivel effect), check *lungis, sarongs,* Madras handkerchiefs and coloured woven chaddars, etc.

Mills, according to the Fact-Finding Committee, have a greater advantage in making grey goods of plain weave, twills, drills, jeans, satin, saris without stripes or checks, grey or dyed chaddars, dhotis, ordinary shirtings and coatings, because these are all suitable for mass production. Ordinarily, therefore, it will not be advisable for handlooms to take up such production.

The two chief lines of handloom production in the past were saris and dhotis. Dhotis being mostly plain white cloth, the mills have a clear advantage in their making and, therefore, even during the last century this line of production was lost to the handlooms, at any rate in Bombay and Bengal. In some Provinces (e.g. Madras), the handlooms are still able to make a large number of even common dhotis, not to speak of lace-bordered variety. Dhotis of low counts worn by the peasants and the people of backward areas are still largely hand-made. The sari remained for long a handloom preserve owing to its ornamental character and owing to the conservatism of our women-folk, but by the steady enterprise of Indian mills since 1925, a certain part of the market in saris has been lost to the handlooms. Light mill saris are now preferred by women at any rate in urban areas. The handloom still commands the custom of the rural women-folk in many parts of the country and a part of the custom of the middle-class women in urban areas.

There appear to be new prospects in the field of shirtings and coatings, the demand for which has been growing and is bound to grow in future. Handlooms have been able to produce striped shirtings and coatings at competitive prices in Madras, United Provinces and elsewhere.

State Aid through Co-operative Societies

The Fact-Finding Committee observe that since 1935 the agency of the Co-operative Societies has been made use of in utilizing grants made

available by the Government of India for financing and marketing facilities to the handloom weavers working in their own homes. Co-operative Societies of weavers were started in many parts of India chiefly for providing credit, but unfortunately, all these societies fared badly. The Committee observe that in spite of the efforts undertaken for over three decades, the co-operative movement was a failure in most parts of India, and even where it had not altogether failed, the scope of its work was limited.

The real problem of the weaver was not capital but lack of marketing facilities, which forced weavers to continue in their pathetic dependence on sowcar-weavers and merchants for the supply of yarn and for the sale of finished goods.

An annual grant of over 5 lakhs was distributed among various Provinces since 1935 and the amount has been spent on various approved schemes, e.g. (1) improvements in the marketing of cloth, (2) facilities for the supply of yarn, dyeing materials and accessories to weavers at reasonable prices, (3) improvements in productive technique and training by the appointment of experts in weaving, designing, dyeing and printing so that the cost of production may be lowered and goods of new patterns and qualities likely to command an easy sale may be produced, and (4) facilities for the proper finishing of handloom products.

The Fact-Finding Committee report observes, however, that the utilization of this amount through the Co-operative Societies has not been very helpful. They state, however, that such disappointing results may have been due rather to the way the societies have been constituted or conducted. The co-operative principle cannot be blamed for the faults resulting from its misapplication. The Committee also suggests that the work of rendering help to the handloom industry must be done on a strictly business-like and commercial basis. They have also expressed the opinion that ordinarily Governments have neither the time nor the equipment for business, and have suggested, therefore, that what is needed at present is the active association of businessmen of proved ability and character.*

The Present Position and Prospects of Hand-weaving Industry

It has often been argued that as production of handloom cloth has increased, hand-weaving industry must be considered to have prospered. This view needs a very careful examination. The increase in the handloom production has been from 906 million yards in 1901-02 to 1905-06, to 948 million yards in 1921-22 to 1925-26, and 1,394 million yards in 1934-35 to 1938-39, and to about 1,500 million yards per year from 1941 till 1944. In 1944-45, 1945-46 and 1946-47, the production is estimated at 1,500, 1,360 and 1,350 million yards respectively. In 1947-48, it was estimated at 1,316 million yards. The proportion of total cloth available for consumption supplied by handlooms has remained nearly the same, i.e. 25 per cent during the last 40 years. In 1944-45, it was 25 per cent,

* Since the publication of the Fact Finding Committee's Report, Co-operative Societies are being encouraged in various Provinces, particularly Madras, Bombay, U.P., C.P. and Bihar. There has been a marked increase in the number of these societies and a larger number of weavers have been brought within their fold.

1945-46 it was about 24 per cent, in 1946-47 it was 26 per cent, and in 1947-48, it was 25 per cent. There has been a noticeable increase in the number of handlooms in Madras and to some extent even in Bombay and Bengal. In areas where production has increased, it has been due largely to the substitution of fly-shuttle looms for throw-shuttle looms which has been going on in all the prominent handloom areas. The proportion of the fly-shuttle looms is 85 per cent in Madras, 67 per cent in Bengal, 55 per cent in Bombay and 47 per cent in the Central Provinces and Berar. As the average production of fly-shuttle looms has increased to 7 yards as against 4 yards on throw-shuttle, production per loom has increased by 75 per cent by this change alone. This increase in production is due largely to the change in technique and has led to no improvement in the economic condition of the weavers. Besides, the increase in production is no proper test of the prosperity of the industry. Hand-weaving is more allied to agriculture than an organized industry. If a mill does not pay a reasonable dividend it will be sold or scrapped and the millowner will put his money into some other more profitable industry. But if the handloom weaver does not get a reasonable return from his loom, he may work harder and longer to make up by quantity what he loses in value. In fact, most hand-weavers will continue to ply the loom (as a mode of living) even though they get barely the price of yarn used in the making of cloth.

The cotton mill industry has increased its production by leaps and bounds during the last 40 years * and yet it was, since 1926, faced with several serious financial crises and had to seek tariff protection. As compared to the increase of 479 per cent in mill production between 1901-02 to 1938-39, the handloom production underwent an increase of 54 per cent only. If, then, observes the Fact Finding Committee, the mills had still to supplicate for protection (as it did till 1947), the case of the handlooms for protection is much stronger.

The Fact-Finding Committee also concludes that there is a large increase in unemployment and under-employment among weavers. Generally, they have no work for more than about six months in a year and even during these months employment is unsteady and irregular. They have also come to the conclusion that there has been a drastic fall in the earnings of hand-weavers throughout the country during the last 10 or 12 years, and the fall in some cases is as high as 70 per cent or 80 per cent. Their present earnings are also found to be extremely low and indicate that employment is far from adequate and that the remuneration received is meagre.

Handlooms give employment to Four-Fifths of the total number of Workers employed in the Cotton Textile Industry

In spite of the unsatisfactory condition of hand-weavers in many parts of the country, the Fact-Finding Committee report observes, it is not correct to consider hand-weaving as a decaying industry. This can

* The maximum production of cloth in mills was attained in 1943-44, when it reached 4,870 million yards, as compared with 4,109 million yards in 1942-43, and 4,493 million yards in 1941-42. In 1944-45 the production was 4,726 million yards, and in 1945-46 it fell to 4,675 million yards. In 1946-47, it was only 3,863 million yards. In 1947-48, it was 3,770 million yards for the Union of India only, and in 1948-49, it was 4,299 million yards for the Union.

be seen by an examination of the numbers engaged in the industry, by the substantial improvements in production and by the profitable business pursued by certain sections of the industry which are properly organized. *In spite of the decline in the numbers employed in the industry, the Fact-Finding Committee report states that there are today more than 2½ million workers engaged in handloom weaving and this cannot be an over-estimate seeing that there are as many as 2 million looms in the country. It is also estimated that a population amounting to 10 millions are still depending on this industry.* The cotton textile industry employs only 5 lakhs* workers of whom a considerable number are working in spinning mills producing yarn for the handloom. *Thus, although today mills are producing above 70% of the total cloth consumed in the country, they employ only a fifth of the total number of workers in the cotton textile industry. The remaining four-fifths are employed in the hand-weaving industry.*

Handlooms maintain 10 millions of Workers

The 2½ million workers engaged in hand-weaving maintain (including themselves) a population of about 10 millions. If after a hundred years of mill competition, the handloom industry is still able to employ such large numbers, it is an undoubted indication of the fact that the Indian handloom industry has a unique capacity for survival.

Will the Handlooms Survive ?

Sir Alfred Chatterton observed over 25 years ago, " the handloom weaver still survives today because there is no alternative open to him . . . he can easily hold his own for a long time to come . . . since he is content to exist on but little more than the bare necessities of life ". It may be seen that it has not been so much a question of the handloom industry surviving as of the handloom weaver himself surviving. The margin between the price of raw material and the price of finished products in the case of the independent weaver and the earnings received by the weaver-labourer has fallen so low that it is doubtful whether even the bare necessities of existence are available to the weavers anywhere.

The Fact-Finding Committee came to the conclusion that in spite of some increase in production, employment among weavers has been falling. They also observe that, left to itself, the industry will perhaps dwindle down to the position of a small handicraft concentrating in the production of a few speciality cloths.

Should the Handloom Industry Survive ?

It should be remembered that the handloom industry is, next to agriculture, the largest single industry of the country. It is the main occupation of several millions of people and for most of them there is no subsidiary occupation. Nor is hand-weaving a handmaid to agriculture, but the sole occupation of a large class of people. It is the mainstay of many towns and numerous villages scattered all over the country. Although this industry is only responsible for about 25 to 30 per

* The number has increased to over 6 lakhs since, and may be estimated at about 7 lakhs now.

cent of the total cloth consumed in the country, it employs over 85 per cent of the textile workers of the country. If for any reason the handloom industry collapses, the resultant misery is bound to be a serious problem for the country, as it will involve the pauperization of a large population and this will become a heavy burden on the State. Many flourishing towns and extensive rural areas would thus be deprived of their bread and this may have ugly social and economic consequences.

Secondly, one of India's principal economic problems is the unemployment and under-employment of large masses of people. As a means of solving this problem, large-scale industrialization in India has so far been conspicuously ineffective. Although this country today produces all our sugar, a large part of our requirements in cloth, iron and steel, cement and jute bags in power-using factories, only about 1½ million labourers have been absorbed in all industrial establishments coming under the Factories Act. Had a good many alternative occupations been available in India, large-scale production of cloth would not have caused any great dislocation, but in the present state of the peculiar economy of the country, we have to concentrate largely on occupations which call for a plentiful supply of labour while economizing on capital. This is one of the principal reasons why Mahatma Gandhi has been advocating the necessity of supporting hand-spinning and hand-weaving.

Thirdly, a fundamental cause of India's poverty is the tendency to an unequal diffusion of purchasing power. This defect cannot be rectified by the expansion of factory industries, unless large social and economic changes also take place simultaneously. While the proportion of the wage bill to the total cost of production in mills is at the most 25 per cent, it forms about 40 per cent in hand-weaving with mill yarn and nearly 75 per cent in hand-weaving with hand-spun yarn. So, this industry affords the necessary corrective in this respect.

What is more, there is a special reason in the case of India for preservation of her small-scale industries. The village has been the backbone of India's economic as well as cultural life. If industrialization involves the decay of village crafts and the concentration of workers in cities, it will greatly undermine the "serenity, poise, dignity, spaciousness, proportion, graciousness, deep-rooted sureness, and elemental simplicity and beauty" which have characterised our rural life in the past and have been the objects of admiration among our best minds and among those from other countries.

Hand-weaving, Our largest small-scale Industry

Hand-weaving is the largest of our small-scale industries. On its welfare depends the prosperity of a numerous population of skilled workers in this country. As now equipped, it can hold its own against the mills if a fair chance is given. On no reasonable ground, therefore, can this industry be denied the little aid it asks for, e.g. by suitable arrangement for an uninterrupted and increased supply of yarn direct to the weavers by the mills at fair prices, the evolution of a dependable and efficient organization for sale of its finished products, publicity and propaganda for making the lasting and superior qualities of handloom cloth known to the people in India as well as other countries, by reduc-

ing the dependence of the industry on a host of middlemen, by exempting handloom cloth from taxes like octroi, furnishing new designs, etc. The activities of the various Provincial Governments, e.g. Bombay, Madras, Bengal, Bihar, Assam, in assisting hand-weaving should be increased. The All-India Spinners' Association should also be encouraged by the various Provincial Governments in order that both hand-spinning and hand-weaving may get necessary impetus and may be in a position to make a sizable contribution for remedying the present problem of shortage of cloth which is responsible for causing considerable distress to millions in the country whose *per capita* consumption of cloth, already low at 16 yards per year was further reduced during the War and the period following the War, namely, 1942 to 1945, to a bare 14 yards, which is distressingly inadequate. The total quantity of cloth available was smaller still in 1946-47, and 1947-48, and the *per capita* consumption has fallen to 12.2 yards only in 1946-47, and in 1947-48.

At a time when there is immediate necessity of increasing the total production of cloth within the country, to meet the growing requirements of the people, handlooms can make an effective contribution without much capital cost which would be essential if new mills are to be established. Besides by doing so, they will be able to solve the problem of unemployment and under-employment of a large number of people in the country and at the same time also make a suitable addition to the poor purchasing power of the people by engaging them in gainful occupation.

Future of the Handloom Industry

The special problems facing the handloom industry, which we have noticed in the preceding pages, should direct attention on the need for a re-orientation of the official and popular outlook towards this all-important industry. Hand-weaving is the largest of our small-scale industries, and the prosperity of thousands of skilled workers depends upon its welfare. The handloom industry did well during the war and till the end of 1948. During this period, the government helped it in various ways. The most notable assistance was the steady refusal of government to impose price control on handloom products, despite the sustained pressure from mill interests. Further, handloom products figured conspicuously in the export trade and earned valuable foreign exchange for the country. It is also quite possible that the industry, which before the war was complementary to agriculture as an occupation in rural India, has progressed to a stage in which millions depend upon it now for their exclusive livelihood. After all, it always employed over 85 per cent of the total textile workers in the country, and was never perhaps such a hand-maid of agriculture as was being made out in the past. In any case, the stage has come when its problems have to be viewed steadily and as a whole, in order to devise solutions directed towards maintaining the vitality of this industry.

This aspect is further emphasized by the fact that for many reasons connected with our balance of payments, etc. the expansion of factory industries has received a check and therefore there is greater need to take steps to preserve a fairly equal diffusion of purchasing power. The health of the nation will be impaired seriously, if a state of ebbing vitality is to prevail in such important limbs like the cottage industries. In fact, it appears that we shall appreciate the repeated exhortations

of Mahatma Gandhi for village industries of a non-mechanical character, as the national economy becomes increasingly subject to the stresses and strains on the industrial side such as low productivity, high costs, investment poverty, all of which tend to a state of impasse. One thing, however, can be stated with a good deal of conviction now, and that is the fact that our economic improvement is not going to be brought about by the emergence of large and powerful new industries alone. Whatever hopes we have in such a Western mode of development of purchasing power, should now be tampered with a sober realization of the almost insuperable difficulties in the attainment of those grandiose plans.

Such reflections, which cannot be dubbed to be unduly gloomy, inevitably throw us back to the necessity for turning to other means of economic improvement. And among such means, the maintenance of the handloom industry at least at its present state of health if not at a higher watermark, should take pride of place. The large River Valley projects now being undertaken will themselves on fruition stimulate a healthy cottage industry economy in the country. They will stimulate agriculture by bringing many arable lands under cultivation. The emphasis therefore in the next 5 or 10 years will shift to the countryside: and the handloom industry can be very well fitted into the new pattern of rural development by proper organization. It is to be hoped that the planners of blue prints will bear in mind and devise steps to ensure that village crafts, in which hand-weaving occupies a very high place, flourish and will continue to adorn rural India.

There can be nothing more pretty in nature than the sight of the 2 million and odd workers now engaged in hand-weaving pursuing their tasks in contentment born of a steady income and in a spirit of quiet efficiency. After all, the necessity of increasing the total production of cloth in the country is self-evident and it is equally clear that the mills, even if new units come into existence, can never supply all the cloth. There is therefore a distinct role cut out for the handloom weaver in the immediate future. Whether he will be enabled to do his little bit and keep his body and soul together depends upon the sincere assistance given by the Central and Provincial Governments, in the shape of proper yarn facilities, proper co-operative efforts at marketing of his products in India and abroad, and suitable research to bring into play the unquestionable originality of the weaver in supplying fabrics that endear themselves to all, as in the days of the celebrated Dacca Muslins.

It is hoped that this account of the handloom weaving industry will be found helpful by the student and the administrator alike, to understand its problems and to devise measures for its stabilisation in the not-too-distant future, in appreciation of the fact that it gives support for about 10 million people and occupies an unique place in the national economy * of the country.

* For a detailed and comprehensive study of this question *vide* Mr. M. P. Gandhi's monograph on "How to Compete with Foreign Cloth—A study of the position of hand-spinning, hand-weaving and cotton mills in the economics of cloth production in India", published in 1931, pp. 120, with a foreword by Sir P. C. Ray for the English edition, and by Mahatma Gandhi for the Gujarati edition, published under the title "*Pardeshi* Kapadni Same Harifai Kem Karay ?" in 1932.

APPENDIX

TABLE No. I

Indian Mill-spun Cotton Yarn: Statement showing 'Free Yarn' Available, and Stocks with the Mills

During 1948 (Jan.-Dec.) total 'Free Yarn' available ... ... 404 million lbs. or 10,10,000 bales.

Average per month during 1948 ... ... 33.5 million lbs. or 84,167 bales.

During 1949 (Jan.-Sept.)

Total Free Yarn available for Civil consumption ... ... 279 million ibs. or 6,95,000 bales.

Average per month ... ... 77,222 bales.

TABLE No. II

Import of Cotton Yarn in India in 1947-48

		lbs.	bales.
1.	Total Imports during 1947	3,495,240	8,738
	Average monthly imports	291,270	728
2.	Total Imports during 1948	9,586,584	23,966
	Average monthly imports	978,882	1,997
	(i) Total imports during April 1948 to October 1948	4,056,714	10,142
	(ii) Total import of fine count yarn above 40s during April 1948 to Oct. 1948 ...	1,278,597	3,196
	(iii) Percentage of (ii) over (i)	31.5%	
3.	(i) Total imports during Jan.-June 1949 ...	16,004,636	40,011½
	Average monthly imports	2,667,439	6,668½
	(ii) Total imports of fine counts yarn above 40s during Jan.-June 1949	7,285,534	18,214
	(iii) Percentage of (ii) over (i)	45.5%	

Table No. III

Average Monthly Deliveries of Yarn by Mills to Provinces/States during the period August 1948 to July 1949 ‡

REGIONS	SINGLE					FOLDED					Total Bales of 400 lbs.
	Upto 6s	Over 6s–10s	Over 10s–20s	Over 20s–40s	Over 40s	Upto 6s	Over 6s–10s	Over 10s–20s	Over 20s–40s	Over 40s	
* Ajmer ...	30	43	46	2	...	...	...	10	...	...	131
Assam ...	...	134	857	348	25	...	..	49	8	...	1,421
Baroda ...	32	68	363	52	1	...	12	25	...	2	565
Benares ...	17	29	57	...	...	...	4	2	...	...	119
Bengal West ...	13	378	2,325	1,323	127	6	22	662	96	6	4,958
Bhopal ...	2	4	21	...	...	1	...	...	...	...	28
Bikaner ...	...	57	38	2	...	...	...	1	...	...	98
Bihar ...	216	1,150	1,747	262	24	...	87	128	23	...	3,637
Bombay ...	766	983	3 824	1,566	401	119	237	829	311	140	9,176
C.P. & Berar ...	293	843	2,971	1,055	135	1	8	81	53	14	5,454
Cochin ...	...	...	173	65	11	...	...	1	...	...	250
Cooch-Bihar ..	...	10	...	4	...	...	...	2	...	...	16
Coorg ...	...	...	...	1	...	...	...	...	...	...	1
Cutch ...	77	23	3	...	...	...	...	...	...	...	103
Delhi ...	32	223	362	22	5	46	78	53	15	...	836
Hyderabad ...	205	482	1,569	557	69	...	8	162	46	2	3,100
Jaipur ...	9	122	140	3	...	1	14	7	1	...	297
Jodhpur ...	37	192	47	5	...	9	25	10	2	...	327
Jaisalmer ...	...	13	10	...	...	...	...	...	...	...	23
Jammu & Kashmir ...	1	16	34	3	...	...	4	4	9	...	71
Junagadh ...	9	18	25	...	...	...	1	...	..	...	53
Kolhapur ...	...	...	193	90	46	...	1	10	12	11	363*
Madras ...	658	1,064	9,842	9,977	1,763	3	18	1,145	315	28	24,813
Manipur ...	...	14	14	34	16	...	...	...	...	...	78
Matsya ...	18	33	73	2	...	...	...	1	...	...	127
Mayurbhunj ...	...	61	132	34	...	...	...	...	...	...	227
Madhyabharat ..	125	152	381	16	1	1	17	5	...	...	693
Mysore ...	9	422	594	557	10	...	...	153	74	...	1,819
Orissa ...	32	569	1,621	304	27	...	1	2	...	...	2,556
East Punjab ...	131	136	609	146	7	3	26	197	30	8	1,293
Rajasthan ...	29	105	46	21	3	6	16	6	...	...	432
Rampur ..	5	36	58	10	...	...	...	1	1	...	111
Saurashtra ...	308	196	247	74	3	1	61	9	2	...	901
Sirohi ..	9	30	15	...	...	2	2	...	...	...	58
Travancore ...	1	14	774	252	18	...	...	77	14	...	1,150
Tripura ...	...	...	22	11	...	...	...	...	5	...	38
United Provinces ...	1,100	2,292	2,660	615	40	158	517	163	64	11	7,570
Vindhya Pradesh ...	35	15	73	1	...	...	...	...	...	...	124
Sikkim ...	...	2	5	...	...	...	1	...	...	...	8
Pepsu ...	53	50	...	6	...	...	10	10	...	...	109†
Total ...	4,232	9,929	31,971	17,420	2,732	357	1,170	3,805	1,081	222	72,919

* Average of 10 months from August 1948-May 1949. From June 1949 onwards deliveries to Kolhapur have been included in the deliveries to Bombay as a result of the merging of the State in the Province.

† Average for the two months June 1949 and July 1949.

‡ (1) The above quantities were meant for distribution to Handlooms, Powerlooms, Hosiery and other miscellaneous industries.

(2) The quantities made available during August 1948-July 1949 have not all been absorbed by the various industries. Large stocks were reported with the nominees at various periods.

(3) These figures are given from August 1948, as the Yarn Distribution Scheme came into force from August 1948.

Recommendations of the First Meeting of the Committee constituted to advise the Textile Commissioner in regard to Reservation of Field of Production for the Handloom Industry, held in Bombay on the 7th November 1949

(a) **Sarees**:—Mills should not weave Sarees with borders exceeding 2″ in width nor use Zari or gold coloured art silk yarn in saree borders. They should also not use coloured yarn in the body of sarees, thus reserving all coloured, striped and check sarees to be manufactured on the handlooms.

(b) **Dhoties**:—Mills should not weave Dhoties with borders exceeding ¼″ in width nor should they use Zari or Muga or art silk yarn in Dhoti borders.

(c) **Lungis and Gamchas**:—Mills should not weave Lungis, Sarongs or Gamchas with check patterns.

(d) **Chaddars and Bed Sheets**:—Mills should not weave checked or striped Chaddar. They should also not weave bed sheets with borders length-wise or breadth-wise but they may weave bed sheets with headings only.

(e) **Gauze, Bandage and Jaconet Cloth**:—Reservation of all Gauze cloth, Bandage cloth and Jaconet cloth for handloom industry.

(f) **Furnishing Fabrics**:—

(1) **Table Cloth and Napkins**:—Mills may produce damask bleached qualities of Table cloth and napkins but the other varieties should be reserved for handloom industry.

(2) **Bed Covers and Counterpanes**:—Reservation of all Bed covers for handloom industry. Mills should weave counterpanes only with jacquard designs.

(3) **Tapestry**:—Mills should not expand their production of Tapestry cloth but restrict the quantities to their present production.

(g) **Dusters**:—Reservation of all dusters for Handloom Industry.

(h) **Towels**:—Reservation of Honey-comb towels for handloom industry.

(i) **Coarse Cloth of Plain Weave**:—Mills should not manufacture cloth of plain weave with warp and weft counts less than 10s. Groups I and II in the ex-factory price schedule for cloth issued by the Textile Commissioner should be dropped thus giving a chance to handloom woven cloth made from hand-spun yarn to find a market.

The Committee was, however, of the view that the above reservations should apply only to cloth manufactured for internal consumption within the Indian Union and that mills can manufacture any variety which they like for export outside the country.

The Committee agreed that sufficient notice should be given to the mills before enforcing the above restrictions in regard to the manufacture by mills of certain varieties of cloth to be reserved for handloom industry, so as to enable mills to adjust their production suitably.

The Committee also agreed that the effect of the above reservations of certain varieties of cloth for the handloom industry particularly on the supply and demand should be watched and the position reviewed after some time.

DO YOU KNOW?

☆ That the number of handlooms in the Indian Union is at present about 24 lakhs of which approximately 64 per cent are Throw-Shuttle and about 35 per cent Fly-Shuttle.

☆ That there are 22,000 "small power-looms" scattered all over the country, in addition to 2 lakhs power-looms installed in the mills.

☆ That the handlooms are responsible for production of about 1,300 million yards of cloth per year.

☆ That the handlooms supply nearly 25 per cent of the cloth consumed in the country per year.

☆ That the handlooms maintain at present a population of about 25 lakhs as against a bare 7 lakhs employed by the Mill Industry* and this means that nearly 75 per cent of the Textile Workers of the country are employed by the handlooms.

☆ That the handlooms solve one of the principal economic problems of India, viz. unemployment and under-employment of large masses of people, and afford an excellent solution to the problem of the population, now estimated at over 330 million for the Dominion of India.

☆ That the handlooms can be an important potential source of supply of special artistic fabrics for export to foreign countries.

☆ That the 25 lakhs workers engaged in hand-weaving maintain, including themselves, a population of about 10 millions.

☆ That the total estimated value of handloom cloth, viz. 1,300 million yards, is about Rs. 100 crores per year.

☆ That the handlooms utilise between 65,000 to 85,000 bales of Indian mill yarn per month for production of cloth.

☆ That proposals for reservation of a special field of production for handlooms are engaging the active attention of the Government of India.

☆ That a Standing Handloom Committee has been established in April 1949, with an initial grant of Rs. 10 lakhs which constitutes the nucleus of the "Handloom Development Fund", to be utilised for financing specific schemes of development of this industry.

* Also *vide* "The Indian Cotton Textile Industry *Annual*" for 1949.

20th December 1949. M. P. GANDHI.

APPENDIX C

LIST OF COTTON TEXTILE MILLS IN INDIA, AND IN PAKISTAN

(1949)

(THOROUGHLY REVISED AND BROUGHT UP-TO-DATE)

With Names and full Addresses of Managing Agents, Number of Spindles and Looms.

INDIA

BOMBAY CITY & ISLAND

APOLLO MILLS LTD., DeLisle Road, Chinchpokli; *Agents*: Messrs. The Rajputana Textiles (Agencies) Ltd., Mill Premises, Bombay; *No. of Spindles*: Ring 45500, *No. of Looms*: 898.

BOMBAY DYEING & MFG. CO. LTD. (Spring Mills), Naigaum Road, Dadar; *Agents*: Messrs. Nowrosjee Wadia & Sons, Ltd., Neville House, Ballard Estate, Bombay; *No. of Spindles*: Ring 109008; *No. of Looms*: 3224.

BOMBAY DYEING & MFG. CO. LTD. (Textile Mills); Elphinstone Road, Parel; *Agents*: Messrs. Nowrosjee Wadia & Sons, Ltd., Neville House, Ballard Estate, Bombay; *No. of Spindles*: Ring 71936; *No. of Looms*: 1631 (56 Blanket).

BRADBURY MILLS LTD., Ripon Road, Jacob Circle; *Agents*: Messrs. Ramnarain Sons, Ltd., Imperial Bank Annexe, Bank Street, Fort, Bombay; *No. of Spindles*: Mule 2496, Ring 32496; Total 34992; *No. of Looms*: 848.

CENTURY SPG. & MFG. CO. LTD., DeLisle Road, (North); *Agents*: Messrs. Sir Chunilal V. Mehta & Sons Ltd., Queen's Mansions, Prescott Road, Bombay; *No. of Spindles*: Ring 100744; *No. of Looms*: 2684 (54 Blanket).

COLABA LAND & MILL CO. LTD., Victoria Bunder, Colaba; Managed by a Board of Directors, Mill premises, Colaba, Bombay; *No. of Spindles*: Ring 43138; *No. of Looms*: 695 (Automatic 20).

COORLA SPG. & WVG. CO. LTD., Kurla, Bombay Suburban District; *Agents*: Messrs. Cowasjee Jehangir & Co., Ltd., Readymoney Mansion, Churchgate Street, Bombay; *No. of Spindles*: Ring 24680; *No. of Looms*: 680.

CROWN SPG. & MFG. CO. LTD., New Prabhadevi Road, Parel; *Agents*: Purshotam Vithaldas & Co, Sir Vithaldas Chambers, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 45656; *No. of Looms*: 1146.

DAWN MILLS CO. LTD, Fergusson Road, Lower Parel; *Agents*: Messrs. Ramnarain Sons Ltd., Imperial Bank Annexe, Bank Street, Fort, Bombay; *No. of Spindles*: Mule 3960, Ring 36984, Total 40944.

DHANRAJ MILLS LTD., Sun Mill Road, Lower Parel; *Managing Agents*: Ramgopal Ganpatrai & Sons Ltd., Mill Premises; *No. of Spindles*: Mule 1384, Ring 34932, Total 36316; *No. of Looms*: 786.

DIGVIJAY SPG. & WVG. CO. LTD., Lal Baug, Parel; *Agents*: Messrs. Jethabhai Khatau & Co., Mill Premises; *No. of Spindles*: Ring 43192; *No. of Looms*: 1177.

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*Appendix to the Indian Cotton Textile Industry—1949 Annual, by Mr. M. P. Gandhi.

EDWARD TEXTILES LTD. (Formerly Edward Sassoon Mills Ltd.), Fergusson Road, Lower Parel; *Agents*: Puranmal Radhakishan & Co., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Mule 20016, Ring 27612, Total 47628; *No. of Looms*: 920.

ELPHINSTONE SPG. & WVG. MILLS CO. LTD., Elphinstone Road, Parel; *Agents*: Messrs. Chidambaram Mulraj & Co. Ltd., Kamani Chambers, 32, Nicol Road, Ballard Estate, Fort, Bombay; *No. of Spindles*: Mule 6960, Ring 31712, Total 38672; *No. of Looms*: 885.

FINLAY MILLS LTD., Government Gate Road, Parel; *Agents*: Messrs. James Finlay & Co. Ltd., Chartered Bank Building, Fort, Bombay; *No. of Spindles*: Ring 46072; *No. of Looms*: 784.

GOLD MOHUR MILLS LTD., Main Road, Dadar; *Agents*: Messrs. James Finlay & Co. Ltd., Chartered Bank Building, Fort, Bombay; *No. of Spindles*: Ring 40540; *No. of Looms*: 1020.

HIND MILLS LTD. (Formerly David Mills Co. Ltd.), Carroll Road, Parel; *Managing Agents*: Messrs. Hind Agents, Ltd., 15, Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Mule 14720, Ring 61000, Total 75720; *Looms*: 1219 (1 Automatic).

HINDOOSTAN SPG. & WVG. MILLS CO. LTD., Ripon Road, Jacob Circle; *Agents*: Messrs. Thackersey Mooljee & Co., Sir Vithaldas Chambers, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 41192; *No. of Looms*: 1325 (274 Automatic Looms).

HIRJEE MILLS LTD., Fergusson Road, Lower Parel; *Agents*: Messrs. J. R. Bhadani & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 48012; *No. of Looms*: 883.

INDIAN MFG. CO. LTD., Lamington Road (North), Jacob Circle; *Agents*: Messrs. Damodher Thackersey Mooljee & Co., Sir Vithaldas Chambers, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 49208; *No. of Looms*: 1217.

INDIA UNITED MILLS LTD., No. 1 Mill (Formerly Jacob Mill), Suparibaug Road, Parel; *Agents*: Messrs. Agarwal & Co. Indu House, Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Mule 6160, Ring 90232; Total 96392; *No. of Looms*: 2228, (134 Blanket).

INDIA UNITED MILLS LTD., No. 2 Mill (Formerly Alexandra Mill), Ghorupdeo Road, Chinchpokli; *Agents*: Messrs. Agarwal & Co., Indu House, Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Ring 35880; *No. of Looms*: 742.

INDIA UNITED MILLS LTD., No. 3 Mill (Formerly E. D. Sassoon Mill), Ghorupdeo Road, Chinchpokli; *Agents*: Messrs. Agarwal & Co., Indu House, Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Mule 5390, Ring 70348, Total 75738; *No. of Looms*: 752.

INDIA UNITED MILLS LTD., No. 4 Mill (Formerly Rachael Mill), Chinchpokli Road; *Agents*: Messrs. Agarwal & Co., Indu House, Dougall Road, Ballard Estate, Bombay; *No. of Looms*: 2073.

INDIA UNITED MILLS LTD., No. 5 Mill (Formerly Manchester Mill), Chinchpokli Cross Lane, Kalachowki; *Agents*: Messrs. Agarwal & Co., Indu House, Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Ring 28588; *No. of Looms*: 684.

JAM MFG. CO. LTD., (Mill No. 1), Lalbaug, Parel; *Agents*: Messrs. Tricumdas Vandravan & Co., Mill Premises; *No. of Spindles*: Ring 27260; *No. of Looms*: 910.

JAM MFG. CO. LTD., (Mill No. 2), Sewree Road; *Agents*: Messrs. Tricumdas Vandravan & Co., Jam Mill No. 1, Lalbaug, Parel, Bombay; *No. of Spindles*: Ring 23516; *No. of Looms*: 574.

JUBILEE MILLS LTD., New Sewree Road, Sewree; *Agents*: Messrs. Chemanlal Mehta & Co. Ltd, Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 38280; *No. of Looms*: 680.

KAMALA MILLS LTD., Tulsi Pipe Road, (Managed by a Board of Directors), *Office*: Kilachand Devchand Bldg., Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 38984; *No. of Looms*: 1055 (100 Art Silk Looms).

KHATAU MAKANJI SPG. & WVG. CO. LTD., Haines Road, Byculla; *Agents*: Messrs. Khatau Makanji & Co., Laxmi Building, 2-B, Ballard Pier, Fort, Bombay; *No of Spindles*: Ring 61492; *No. of Looms*: 1417.

KOHINOOR MILLS CO. LTD., Naigaum Cross Road, Dadar; *Agents*: Messrs. Killick Industries Ltd., Home Street, Fort, Bombay; *No.of Spindles*: Ring 102312; *No. of Looms*: 1846.

MADHOWJI DHARAMSI MFG. CO. LTD., (Managed by a Board of Directors), Foras Road, Tardeo; Mr. Shriyans Prasad Jain, Mg. Director, 15-A Elphinstone Circle, Fort, Bombay; *No. of Spindles*: Ring 37512; *No. of Looms*: 838.

MADHUSUDAN MILLS LTD., DeLisle Road; Director-in-charge, Dewan Dina Nath, Mill Premises; *No. of Spindles*: 55812; *No. of Looms*: 1742.

MEYER MILLS LTD., Fergusson Road, Lower Parel; *Agents*: Messrs. B. R. Sons Ltd., Empire House, Hornby Road, Bombay; *No. of Spindles*: Mule 804, Ring 44192, Total 44996; *No. of Looms*: 1021.

MODERN MILLS LTD., (Mill No. 1), Elphinstone Road, Parel; *Agents*: Messrs. N. Sirur & Co. Ltd., 70 Forbes Street, Bombay; *No. of Spindles*: Mule 7440, Ring 16536, Total 23976.

MODERN MILLS LTD., (Mill No. 2), Mahaluxmi; *Agents*: Messrs. N. Sirur & Co. Ltd., 70, Forbes Street, Bombay; *No. of Spindles*: Ring 11388; *No. of Looms*: 444.

MOON MILLS LTD., New Sewree Road; *Agents*: Messrs. Asiatic Textile Co. Ltd., General Assurance Bldg., Hornby Road, Fort, Bombay; *No. of Spindles*: Mule 2856, Ring 31572, Total 34428; *No. of Looms*: 875 (26 Automatic Looms). (Stopped working from 6–8–48 due to fire).

MORARJEE GOCULDAS SPG. & WVG. CO. LTD., Soparibaug Road, Parel; *Agents*: Messrs. Ganesh Narayan Piramal, Mill Premises; *No. of Spindles*: 60652; *No. of Looms*: 1672.

NEW CHINA MILLS LTD., Sewree; *Managing Director*: Mr. Navinchandra Mafatlal, 29, Churchgate Street, Fort, Bombay; *No. of Spindles*: 41608; *No. of Looms*: 770 (84 Automatic Looms).

NEW CITY OF BOMBAY MFG. CO. LTD., 63, Albert Road, Chinchpokli; *Agents*: Messrs. W. H. Brady & Co. Ltd., 12-14, Churchgate Street, Fort, Bombay; *No. of Spindles*: Ring 45944; *No. of Looms*: 432.

NEW GREAT EASTERN SPG. & WVG. CO. LTD., Victoria Gardens Road, Chinchpokli; *Agents*: Messrs. W. H. Brady & Co. Ltd., 12-14, Churchgate Street, Fort, Bombay; *No. of Spindles*: Mule 14520, Ring 32364, Total 46884; *No. of Looms*: 1018.

NEW KAISER-I-HIND SPG. & WVG. CO. LTD., Ghorupdeo Road, Chinchpokli; Lala Kailashpat Singhania, Director-in-charge; J. K. Bldg., Dougall Road, Ballard Estate, Bombay; *No. of Spindles*: Ring 53716; *No. of Looms*: 1405.

NEW PRALHAD MILLS LTD, Fergusson Road, Lower Parel; *Agents*: Messrs. Amrit Banaspati Co. Ltd., East & West Bldg., Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 33440, Total 34136; *No. of Looms*: 1031 (17 Blanket).

NEW SUN MILLS CO. LTD., Sun Mill Road, Lower Parel, *Mg. Directors*: Messrs. Bhupatrai Karunashanker and Karunashanker Punjram, 64-66, Chuckla Street, Bombay 3; *No. of Spindles*: Mule 7000, Ring 10244, Total 17244; *No. of Looms*: 319. (100 Looms working on art silk).

NEW UNION MILLS LTD., DeLisle Road, Lower Parel; *Agents*: Messrs. David Sassoon & Co. Ltd., 125, Esplanade Road, Fort, Bombay; *No. of Spindles*: Mule 2440, Ring 31192; Total 33632; *No. of Looms*: 873.

PHOENIX MILLS LTD., Tulsi Pipe Road, Lower Parel; *Agents*: Ramnarain & Sons, Ltd., Imperial Bank Annexe, Fort, Bombay; *No. of Spindles*: Mule 7740, Ring 48128, Total 55868; *No. of Looms*: 986.

PODAR MILLS LTD., DeLisle Road, Chinchpokli; *Agents*: Messrs. Podar Sons Ltd., Podar Chambers, Parsi Bazaar Street, Fort, Bombay; *No. of Spindles*: Ring 31800; *No. of Looms*: 930.

PRAKASH COTTON MILLS LTD., (Formerly Seksaria Cotton Mill No. 2), DeLisle Road; *Agents*: Messrs. Seksaria Industries Ltd., 139 Medows Street, Fort, Bombay; *Spindles*: Ring 16384; *No. of Looms*: 386 (52 Blanket).

RAGHUVANSHI MILLS LTD., 11–12 Haines Road, Mahaluxmi; *Agents*: Messrs. Ravindra Maganlal & Co. Ltd., Mill Premises: *No. of Spindles*: Ring 33160.

RUBY MILLS LTD., Woollen Mill Gully, Lady Jamshetji Road, Dadar; *Agents*: Messrs. Choonilal Jeevandas & Co., 49-55 Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 15620; *No. of Looms*: 448.

SASSOON SPG. & WVG. CO. LTD., Mount Estate, Ghorupdeo, Mazgaon; *Agents*: Messrs. David Sassoon & Co. Ltd., 125, Esplanade Road, Fort, Bombay; *No of Spindles*: Mule 2224, Ring 58016, Total 60240; *No. of Looms*: 1253.

SEKSARIA COTTON MILLS LTD., No. 1 and 1A, DeLisle Road; *Agents*: Messrs. Seksaria Sons Ltd., 139, Medows Street, Fort, Bombay; *No. of Spindles*: Mule 14512, Ring 65196, Total 79708; *No. of Looms*: 1048.

SHREE NIVAS COTTON MILLS LTD., DeLisle Road; *Agents*: The Marwar Textiles (Agency) Ltd., Shree Nivas House, Waudby Road, Fort, Bombay; *No. of Spindles*: Ring 66452; *No. of Looms*: 1720.

SHREE RAM MILLS LTD., Fergusson Road, Lower Parel; *Agents*: Messrs. Bhogilal Menghraj & Co., Ltd., Mill Premises; *No. of Spindles*: Ring 44744; *No. of Looms*: 950 (2 Automatic Looms).

SIMPLEX MILLS CO. LTD., Clerk Road, Jacob Circle, Byculla; *Agents*: Messrs. Forbes Forbes Champbell & Co., Ltd., Forbes Building, Home Street, Fort, Bombay; *No. of Spindles*: Mule 936, Ring 35728, Total 36664; *No. of Looms*: 1277.

SIR SHAPURJI BROACHA MILLS LTD., (Connaught Mill).

SIR SHAPURJI BROACHA MILLS LTD. (New Empress Mill), DeLisle Road, Chinchpokli; (Managed by a Board of Directors) Mr. Shriyans Prasad Jain, Mg. Director; 15-A, Elphinstone Circle, Bombay; *No. of Spindles*: Mule 1872, Ring 63344, Total 65216; *No. of Looms*: 1012 (Blanket 50).

STANDARD MILLS CO. LTD., Parbhadevi Road, Lower Parel; *Agents*: Messrs. Mafatlal Gagalbhai & Sons, 29, Churchgate Street, Fort, Bombay; *No. of Spindles*: Ring 51696; *No. of Looms*: 1677 (526 Automatic Looms).

SVADESHI MILLS CO. LTD., Kurla, Bombay Suburban District; *Agents*: Tata Industries Ltd., Bombay House, 24 Bruce Street, Fort, Bombay; *No of Spindles*: Ring 65040; *No. of Looms*: 2092.

SWAN MILLS LTD., New Sewri Road; *Agents*: Messrs. James Finlay & Co. Ltd., Chartered Bank Building, Fort, Bombay; *No. of Spindles*: Ring 35804; *No. of Looms*: 552 (24 Automatic Looms).

TATA MILLS LTD., Dadar Road, Parel; *Mg. Agents*: Messrs. Tata Industries Ltd., Bombay House, 24, Bruce Street, Fort, Bombay; *No. of Spindles*: 62468; *No. of Looms*: 1800.

VICTORIA MILLS LTD., DeLisle Road; *Agents*: Messrs. Mangaldas Mehta & Co. Ltd., Mubarak Manzil, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 49140; *No. of Looms*: 982.

WESTERN INDIA SPG. & MFG. CO. LTD., Kalachowki Road, Chinchpokli; *Agents*: Messrs. Thackersey Mooljee Sons & Co., Sir Vithaldas Chambers, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 42876, *No. of Looms*: 1344 (206 Automatic Looms).

AHMEDABAD

AHMEDABAD ADVANCE MILLS LTD., Shahibag Road, Outside Delhi Gate; *Agents*: Messrs. Tata Industries Ltd., Bombay House, 24, Bruce Street, Fort, Bombay; *No. of Spindles*: Ring 44224; *No. of Looms*: 1016.

AHMEDABAD COTTON MFG. CO. LTD., Outside Sarangpur Gate; *Agents*: Messrs. Amritlal Hargovandas & Bros. Ltd., Mill Premises; *No. of Spindles*: Ring 22480; *No. of Looms*: 516.

AHMEDABAD JAYA BHARAT COTTON MILLS, LTD. Beyond Kankaria Rly. Siding, Mithipur; *Agents*: Messrs. Parakh Fabrics Ltd., Post Box No. 24, Ahmedabad; *No. of Spindles*: Ring 31580; *No. of Looms*: 586.

AHMEDABAD JUPITER SPG., WVG. & MFG. CO. LTD, Dudheshwar Road, *Agents*: Messrs. C. Parekh & Co., 28, Apollo Street, Fort, Bombay; *No. of Spindles*: Ring 29508; *No. of Looms*: 666.

AHMEDABAD KAISER-I-HIND MILLS CO. LTD., Outside Raipur Gate; *Agents*: Messrs. Ramaulal Kanaiyalal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 21436; *No. of Looms*: 432.

AHMEDABAD LAXMI COTTON MILLS CO. LTD., Outside Raipur Gate, Ahmedabad; *Agents*: Messrs. Hariprasad Jayantilal & Co. Ltd., P.O. Box No. 42, Ahmedabad; *No. of Spindles*: Ring 26924; *No. of Looms*: 592.

AHMEDABAD MFG. & CALICO PRINTING CO. LTD., (CALICO MILLS), Outside Jamalpur Gate; and (JUBILEE MILLS), Outside Dariapur Gate; *Agents*: Messrs. Karamchand Premchand Ltd., Post Box No. 12, Ahmedabad; *No. of Spindles*: Ring 118480; *No. of Looms*: 2360 (40 Blanket), (48 Automatic).

AHMEDABAD NEW COTTON MILLS CO. LTD., Near Kokhra Mehemadabad; *Agents*: Messrs. Narottam Chandulal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 20700; *No. of Looms*: 448.

AHMEDABAD NEW TEXTILE MILLS CO. LTD., (Nos. 1 & 2), Outside Raipur Gate, *Agents*: Messrs. Narayanlal Jivanlal & Co. Ltd., Post Box No. 160, Ahmedabad; *No. of Spindles*: Ring 25488; *No. of Looms*: 1100.

AHMEDABAD SARANGPUR MILLS CO. LTD., Outside Raipur Gate; *Agents*: Messrs. Himatlal Motilal & Co. Ltd., Mill Premises; *No. of Spindles* Ring 30928; *No. of Looms*: 590, (Automatic).

AHMEDABAD SHRI RAMKRISHNA MILLS CO. LTD., Gomtipur Road, *Agents*: Messrs. Chimanlal Menecklal & Co., Mill Premises: *No. of Spindles*: Ring 21992; *No. of Looms*: 499.

AJIT MILLS LTD., Rakhial Road; *Agents*: Messrs. Chinubhai Naranbhai & Co., Ltd., Mill Premises; *No. of Spindles*: Ring 22460; *No. of Looms*: 512.

ANANTA MILLS LTD., Rakhial Road; *Agents*: Messrs. Jayantilal Amratlal Ltd., Post Box No. 42, Ahmedabad; *No. of Spindles*: Ring 21992; *No. of Looms*: 450.

ARUNA MILLS LTD., Naroda Road; *Agents*: Messrs. P. M. Hutheesing & Sons Ltd., Post Box No. 57, Ahmedabad; *No. of Spindles*: Ring 40728; *No. of Looms*: 880.

ARVIND MILLS LTD., Naroda Road; *Agents*: Messrs. Narottam Lalbhai & Co., Mill Premises; *No. of Spindles*: Ring 56904; *No. of Looms*: 1216.

ARYODAYA GINNING & MFG. CO. LTD., Asarva Road; *Agents*: Messrs. Mangaldas & Bror. Ltd., Mill Premises; *No. of Spindles*: Ring 32960; *No. of Looms*: 884.

ARYODAYA SPG. & WVG, CO. LTD., (Nos. 1 & 2). Outside Kalupur Gate, Asarva Road; *Agents*: Messrs. Mangaldas & Balabhai & Co., Post Box No. 146, Ahmedabad; *No. of Spindles*: Ring 52788; *No of Looms*: 1108.

ASARWA MILLS, Asarwa Road, Railwaypura Post; *Agents*: Messrs. Chhotabhai Patel & Co., Ltd., 12, Bell Lane, N. M. Wadia Bldg., Fort, Bombay; *No of Spindles*: Ring 21824; *No. of Looms*: 544.

ASOKA MILLS LTD., Naroda Road; *Agents*: Messrs. Lalbhai Dalpatbhai & Co., Post Box No. 55, Ahmedabad; *No. of Spindles*: Ring 35896; *No. of Looms*: 936.

BECHARDAS SPG. & WVG. MILLS CO. LTD., Rakhial Road; *Agents*: Messrs. Durgaprasad S. Laskari & Co., Mill Premises; *No. of Spindles*: Ring 19320; *No. of Looms*: 496.

BHALAKIA MILLS CO. LTD., Kankaria Road; *Agents*: Messrs. Chandulal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 16464; *No. of Looms*: 806.

BHARATKHAND TEXTILE MFG. CO. LTD., (Nos. 1 & 2), Camp Road; *Agents*: Messrs. Jivanlal Girdharlal & Co. Ltd., Post Box No. 30, Ahmedabad; *No. of Spindles*: Ring 31720; *No. of Looms*: 852.

BHARAT SURYODAYA MILLS CO. LTD., Kankaria Road, Railwaypura; *Agents*: Messrs. Mohatta Bros., 2, Krishna Society, Ellis Bridge, Ahmedabad; *No. of Spindles*: Ring 12836 *No. of Looms*: 374.

BIHARI MILLS LTD., Near Khokra Mehmedabad; *Agents*: Messrs. Motilal Harilal & Co. Ltd., P. O. Box No. 4; Ahmedabad; *No. of Spindles*: Ring 17052; *No. of Looms*: 440.

CITY OF AHMEDABAD SPG. & MFG. CO. LTD., Kankaria Road; *Agents*: Messrs. Chamanlal Mangaldas & Sons, Mill Premises; *No. of Spindles*: Ring 22512; *No. of Looms*: 481 (Looms not working).

COMMERCIAL AHMEDABAD MILLS CO. LTD., Outside Prem Darwaja; *Agents*: Messrs. Dhanjibhai & Tricumlal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 27552; *No. of Looms*: 620.

FINE KNITTING CO. LTD., Naroda Road, Near Chamunda Mata; *Agents*: Messrs. H. Keshavlal & Co. Railwaypura, Ahmedabad; *No. of Spindles*: Ring 9000 (Hosiery Mill).

GIRDHARDAS HARIVALLABHDAS MILLS LTD., Outside Prem Darwaja; *Agents*: Messrs. Chamanlal Mangaldas & Co., Mill Premises; *No. of Spindles*: Ring 21808.

GUJARAT COTTON MILLS CO. LTD., Naroda Road; *Agents*: Messrs. Chaturam & Sons, Mill Premises; *No. of Spindles*: Ring 31888; *No. of Looms*: 606.

GUJERAT HOSIERY FACTORY, Rakhial Road; *Owners*: Messrs. C. C. Dalal & Co., Mill Premises; *No. of Spindles*: Ring 10620.

GUJERAT SPG. & WVG. CO. LTD., Outside Kalupur Gate; *Agents*: Messrs. Jumnabhai Mansukhbhai & Co., Mill Premises; *No. of Spindles*: Ring 28792; *No. of Looms*: 673.

HARIVALLABHDAS MULCHAND MILLS CO. LTD., Outside Dariapur Gate, P. O. Railwaypura; *Agents*: Messrs. Girdharlal Harilal & Co., Mill Premises; *No. of Spindles*: Ring 17712; *No. of Looms*: 448.

HATHISING MFG. CO. LTD., Outside Saraspur Gate; *Agents*: Messrs. Maneklal Mansukhbhai & Co., Post Box No. 2, Ahmedabad; *No. of Spindles*: Ring 13416.

HIMABHAI MFG. CO. LTD., Near Saraspur Gate, Railwaypura; *Agents*: Messrs. Dhirajlal Khushaldas & Bros., Mill Premises; *No. of Spindles*: Ring 17560; *No. of Looms*: 436.

JEHANGIR VAKIL MILLS CO. LTD., Outside Delhi Gate; *Agents*: Messrs. Rustomjee Mangaldas & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 32640; *No. of Looms*: 761.

JITENDRA MILLS LTD., Outside Astodia Gate; 2972, Ratanpole; *No. of Spindles*: Ring 3600 (Not working); Mr. N. K. Jhaveri, Hon. Liquidator.

KALYAN MILLS LTD., Naroda Road; *Agent*: Mr. Radhesyam R. Morarka, Director-in-charge, 74, Marine Drive, Bombay; *No. of Spindles*: Ring 14448; *No. of Looms*: 393.

LALBHAI TRICUMLAL MILLS LTD., Rakhial Road; *Agents*: Messrs. Chinubhai Lalbhai & Bros. Ltd., Mill Premises; *No. of Spindles*: Ring 29568; *No. of Looms*: 775.

MAHESHWARI MILLS LTD. Shahibag Road; *Agents*: Messrs. Dhirajlal Khushaldas & Co., Post Box No. 79, Ahmedabad; *No. of Spindles*: 21840; *No. of Looms*: 460.

MANECKCHOWK AND AHMEDABAD MFG. CO. LTD., (Nos. 1 & 2), Railwaypura Post; *Agents*: Messrs. Hiralal Tricumlal & Sons, Mill Premises; *No. of Spindles*: 31128; *No. of Looms*: 832.

MANEKLAL HARILAL SPG. & MFG. Co. LTD., Saraspur Road, P. O. Railwaypura; *Agents*: Messrs. Harilal Harivallabhdas & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 32164 *No. of Looms*: 752.

MARSDEN SPG. & MFG. CO. LTD., Gomtipur; *Agents*: Messrs. Marsden Bros. & Co. Ltd., Railwaypura Post, Ahmedabad; *No. of Spindles*: Ring 22244; *No. of Looms*: 482.

MONOGRAM MILLS CO. LTD., Rakhial Road, Railwaypura Post; *Agents*: Messrs. Manilal, Marsden & Co. Ltd., Mill Premises.; *No. of Spindles*: Ring 23816; *No. of Looms*: 528.

NAGRI MILLS CO. LTD., Rajpur, Gomtipur Road; *Agents*: Messrs. Popatlal Chimanlal & Co., Mill Premises; *No. of Spindles*: Ring 18040; *No. of Looms*: 500.

NATIONAL MILLS CO. LTD., Gomtipur Road; *Agents*: Messrs. Chimanlal Govindlal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 19712; *No. of Looms*: 490.

NEW COMMERCIAL MILLS CO. LTD., Naroda Road; *Agents*: Messrs. Tricumlal Bhogilal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 36556; *No. of Looms*: 792.

NEW MANECKCHOWK SPG. & WVG. CO. LTD., Outside Dariapur Gate, Railwaypura; *Agents*: Messrs. Lalbhai Tricumal, Mill Premises; *No. of Spindles*: Ring 27856; *No. of Looms*: 656.

NEW NATIONAL MILLS LTD., Rakhial Road; *Agents*: Messrs. Tricumlal Bhogilal Sons & Co., Mill Premises; Ahmedabad; *No. of Spindles*: Ring 19052; *No. of Looms*: 414.

NEW RAJPUR MILLS CO. LTD., Gomtipur Road, Railwaypura Post; *Mg. Agents*: Messrs. Bhikhabhai Jivabhai & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 19792; *No. of Looms*: 370.

NEW SWADESHI MILLS OF AHMEDABAD LTD, Naroda Road; *Mg. Agents*: Messrs. The Cotton Agents Ltd., Imperial Bank Building, Bank Street, Fort, Bombay; *No. of Spindles*: Ring 26944; *No. of Looms*: 732.

NUTAN MILLS LTD., Saraspur, Outside Nikoli Gate, Saraspur Road; *Agents*: Messrs. Jagabhai Bhojilal Nanavaty & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 20840; *No. of Looms*: 528.

PATELL MILLS CO. LTD., Gomtipur Road, Railwaypura Post; *Agents*: Messrs. Dhirajlal Chunilal & Co., Mill Premises; *No. of Spindles*: Ring 13824; *No. of Looms*: 356.

RAIPUR MFG. CO. LTD., Outside Saraspur Gate; *Agents*: Messrs. Lalbhai Dalpatbhai & Co., Post Box No. 54, Ahmedabad; *No. of Spindles*: Ring 29096; *No. of Looms*: 634.

RAJNAGAR SPG., WVG. & MFG. CO. LTD., (No. 1), Camp Road, Railwaypura; *Agent*: Mr. Mangaldas Girdhardas Parekh; P. O. Box No. 40, Ahmedabad; *No. of Spindles*: Ring 15220; *No. of Looms*: 722.

RAJNAGAR SPG., WVG. & MFG. CO. LTD., (No. 2), Camp Road, Railwaypura; *Agent*: Mr. Mangaldas Girdhardas Parekh; P. O. Box No. 40, Ahmedabad; *No. of Spindles*: Ring 29580; *No. of Looms*: 616.

ROHIT MILLS LTD., Mithipur, Ahmedabad; *Agents*: Messrs. Lallubhai Gordhandas Ltd., Kokhra Mehmedabad, Mithipur, Ahmedabad; *No. of Spindles*: Ring 27580; *No. of Looms*: 648.

RUSTOM JEHANGIR VAKIL MILLS CO. LTD., Outside Delhi Gate; *Agents*: Messrs. Kantilal Shantilal & Co., Mill Premises; *No. of Spindles*: Ring 18308; *No. of Looms*: 406.

SARANGPUR COTTON MFG. CO. LTD., (Mill No. 1), Outside Raipur Gate; *Agents*: Messrs. Sakarlal Balabhai & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 24400; *No. of Looms*: 570.

SARANGPUR COTTON MFG. CO. LTD., (Mill No. 2), Near Jaganath Mahadev; *Agents*: Messrs. Sakarlal Balabhai & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 30236; *No. of Looms*: 828.

SARASPUR MILLS LTD., Near Saraspur Gate; *Agents*: Lalbhai Dalpatbhai Sons & Co., Mill Premises; *No. of Spindles*: Ring 35324; *No. of Looms*: 856.

SHORROCK SPG. & MFG. CO. LTD., Asarwa Road; *Agents*: Messrs. Mafatlal Chandulal & Co., Mill Premises; *No. of Spindles*: Ring 33664; *No. of Looms*: 704.

SHREE ANAND COTTON MILLS LTD., Near Saraspur Gate; *Agents*: Messrs. Anandram Ratanlal Ltd., Mill Premises; *No. of Spindles*: Ring 19740; *No. of Looms*: 448.

SHRI AMBICA MILLS LTD. (No. 1), Near Kankaria Loco Siding; (No. 2), Near Susker Lake, Kankaria Road; *Agents*: Messrs. Harivallabhdas Kalidas & Co., Mill Premises; *No. of Spindles*: Ring 54324; *No. of Looms*: 1383.

SHRINAGAR MILLS, LTD., Saraspur Road, Railwaypura Post, Ahmedabad; *Managing Agents*: Mooljee Jaitha & Co., Mooljee Jetha Bldg., Princess Street, Bombay; *No. of Spindles*: Ring 18228; *No. of Looms*: 593.

SHRI VIVEKANAND MILLS LTD., Rakhial Road, P. O. Railwaypura; *Agents*: Messrs. Nanubhai Maneklal & Co., Mill Premises; *No. of Spindles*: Ring 18832; *No. of Looms*: 400.

SILVER COTTON MILLS CO. LTD., Kankaria Loco Siding, Ahmedabad; *Agents*: Messrs. Gopalbhai Balabhai & Co., Mill Premises; *No. of Spindles*: Ring 21188; *No. of Looms*: 506.

VIJAYA MILLS CO. LTD., Naroda Road, Post Railwaypura; *Agents*: Messrs. Haridas Achratlal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 28416; *No. of Looms*: 67C.

VIKRAM MILLS LTD., Outside Saraspur Gate, Railwaypura; *Agents*: Messrs. Ramanlal Lallubhai Ltd., Mill Premises; *No. of Spindles*: Ring 26412; *No. of Looms*: 800.

OTHER MILLS IN BOMBAY PROVINCE

ABDUL SAMAD HAJI LAL MUHAMMAD WVG. FACTORY, Bhivandi (Thana District); *Owner*: Khan Saheb Abdul Somad Haji Lal Muhammad, Mill Premises; *No. of Looms*: 246.

ANJAR SPG. & WVG. MILLS CO. LTD. (Formerly: Kutch Spg. & Wvg. Co. Ltd.,) Anjar (Kutch); *Chairman*: P. V. Shah Esqr., Mill Premises; *No. of Spindles*: Ring 2736.

BARODA SPG. & WVG. CO. LTD. Pani Gate, Near Bhadar, Baroda; *Agents*: Messrs. Javerchand Laxmichand & Co., Mill Premises; *No. of Spindles*: Ring 30376; *No. of Looms*: 664.

BARSI SPG. & WVG. MILLS LTD., Barsi Town (District Sholapur); *Agents*: Messrs. Desai Sons & Co., Mill Premises; *No. of Spindles*: Ring 10900; *No. of Looms*: 271.

BHARAT SPG. & WVG. CO. LTD., (Mill No. 1), Hubli, District Dharwar; *Agents*: Messrs. Purshotam Govindji & Co., "Gool Mansion", Homji Street, Fort, Bombay; *No. of Spindles*: Mule 508, Ring 2192, Total 2700; *No. of Looms*: 604 (for both Mills Nos. 1 & 2).

BHARAT SPG. & WVG. CO. LTD. (Mill No. 2), Hubli, District Dharwar; *Agents*: Messrs. Purshotam Govindji & Co., "Gool Mansion", Homji Street, Fort, Bombay; *No. of Spindles*: Ring 26204; *No. of Looms*: (See above).

BHARAT VIJAYA MILLS LTD., Kalol (N. Gujarat); *Agents*: Messrs. Ramanlal Champaklal & Co., Mill Premises; *No. of Spindles*: Ring 12376; *No. of Looms*: 320.

BROACH FINE COUNTS SPG & WVG. CO. LTD., Mahamadpura Road, Near Station, Broach; *Agents*: Messrs. Brijlal Bilasrai & Co., Agakhan Bldg., Dalal St., Fort, Bombay; *No. of Spindles*: Ring 28848; *No. of Looms*: 542.

CHALISGAON SHRI LAXMI NARAYAN MILLS CO. LTD., Chalisgaon, E. Khandesh; *Managing Agent*: Sheth Narayan Bankat, Mill Premises; *No. of Spindles*: Ring 22636; *No. of Looms*: 604.

CHHOTALAL MILLS LTD., Kalol (North Gujarat); *Agents*: Messrs. Chhotalal Hirachand & Co., Mill Premises; *No. of Spindles*: Ring 18056; *No. of Looms*: 456.

GAEKWAR MILLS LTD., Billimora (B.B. & C.I. Rly.) *Agents*: Messrs. H. M. Mehta & Co. Ltd., Billimora; *No. of Spindles*: Ring 29276; *No. of Looms*: 650.

GENDALAL MILLS LTD., Jalgaon, East Khandesh; *Mg. Director*: Surajmal Gendalal Badjatia, Esq., Mill Premises; *No. of Spindles*: Ring 12504; *No. of Looms*: 368.

GOKAK MILLS LTD., Gokak Falls, Balgaum Dist., S.M.C.; *Agents*: Messrs. Forbes Forbes Campbell & Co. Ltd., Forbes Building, Home Street, Bombay; *No. of Spindles*: Ring 72568; *No. of Looms*: 2. (Looms Produce Tyre Cloth).

GOPAL MILLS CO. LTD., (Nos. 1, 2 & 3), Mahatma Gandhi Road, Broach; *Agents*: Messrs. Nanddas Haridas & Co., C/o The Vijaya Mills Co. Ltd., Naroda Road, Ahmedabad; *No. of Spindles*: Ring 21748; *No. of Looms*: 652.

JAM SHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD., Sholapur; *Agents*: Messrs. Lalji Naranji & Co., 11, Bank St., Fort, Bombay; *No. of Spindles*: Mule 868, Ring 19952, Total 20820; *No. of Looms*: 511.

JAYASHANKAR MILLS (BARSI,) LTD., Barsi Town; *Agents*: Messrs. Zadbuke & Co., Mill Premises; *No. of Spindles*: Ring 11840.

KANTI COTTON MILLS LTD., Wadhwan Camp (Saurashtra); *Mg. Agents*: Chandulal Ratilal & Co., Mill Premises; *No. of Spindles*: Ring 15724; *No. of Looms*: 326.

KESHAV MILLS CO. LTD., Petlad; *Agents*: Messrs. Chandulal Keshavlal & Co., Mill Premises; *No. of Spindles*: Ring 14556; *No. of Looms*: 303.

KHANDESH SPG. & WVG. CO. LTD., Jalgaon (E. K.); *Agents*: Messrs. Indrasingh & Sons Ltd., Cambata Building, 42, Queen's Road, Back Bay Reclamation, Fort, Bombay; *No. of Spindles*: Ring 22040; *No. of Looms*: 465 (17 Blanket Looms).

KRISHNA KUMAR MILLS CO. LTD., Mahuva (Saurashtra); *Agents*: Messrs. Surendranath Maganlal & Co., Mill Premises; *No. of Spindles*: Ring 8496.

LAKSHMI COTTON MFG. CO. LTD., Sholapur; *Agents*: Messrs. The Bombay Co. Ltd., 9, Wallace Street, Fort, Bombay; *No. of Spindles*: Ring 45252; *No. of Looms*: 1213.

LOKAMANYA MILLS (BARSI) LTD., Barsi Town, District Sholapur; *Agents*: Messrs. Sulakhe & Co., Mill Premises; *No. of Spindles*: Ring 12664.

MADHAVNAGAR COTTON MILLS LTD., Post: Madhavnagar, Budhagaon (M.S.M.); *Agents*: Messrs. Budhagaon Trading Co. Ltd., Mill Premises; *No. of Spindles*: Ring 6000.

MAFATLAL FINE SPG. & MFG. CO. LTD., Vijalpur Road, Navsari; *Agents*: Messrs. Navinchandra Purshotamdas & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 25620; *No. of Looms*: 896.

MAHALAXMI MILLS LTD., Near Chavdi Gate, Bhavnagar; *Agents*: Messrs. Hargovandas Jeevandas & Sons Ltd., Mill Premises; *No. of Spindles*: Ring 15816; *No. of Looms*: 372 (96 Art Silk Looms).

MAHARANA MILLS LTD., Porbandar (Saurashtra); *Agent*: Sheth Nanjibhai Kalidas Mehta, M.B.E., Swastik Bhuwan, Ugawda Road, *No. of Spindles*: Ring 23356; *No. of Looms*: 546, (207 Art Silk).

MARATHE TEXTILE MILLS, Near Rly. Station, Miraj (S.M.C.) *Partners*: B. K. Marathe & Sons, Mill Premises; *No. of Spindles*: Ring 2796.

NARAYANDAS CHUNILAL COTTON SPG. & WVG. MILLS, Gadag City, Dharwar District; *Proprietors*: Messrs. Narayandas Chunilal, 312, Kalbadevi Road, Bombay No. 2; *No. of Spindles*: Ring 12824; *No. of Looms*: 214.

NARSINGGIRJI MFG. CO. LTD., Station Road, Sholapur; *Agents*: Messrs. Dhanrajgir Raja Narsinggirji, Mill Premises; *No. of Spindles*: Ring 55488; *No. of Looms*: 1170.

NAVJIVAN MILLS LTD., Kalol (North Gujarat); *Agents*: Messrs. Rustomjee Mangaldas & Co., Mill Premises; *No. of Spindles*: Ring 22392; *No. of Looms*: 510.

NAVSARI COTTON & SILK MILLS LTD., Navsari (B.B.&C.I. Rly.); *Agents*: Messrs. H. M. Mehta & Sons Ltd., Mill Premises; *No. of Spindles*: Ring 18520; *No. of Looms*: 435.

NEW CHHOTALAL MILLS LTD., Khadi (North Gujarat); *Agents*: Messrs. Chhotalal Hirachand & Sons, Mill Premises; *No. of Spindles*: Ring 19056; *No. of Looms*: 404.

NEW INDIA INDUSTRIES LTD., Jetalpur Road, Baroda; *Agents*: Messrs. Distributors (Baroda) Ltd., Race Course Road, Baroda; *No. of Spindles*: Ring 7660.

NEW JEHANGIR VAKIL MILLS CO. LTD., Bhavnagar; *Agents*: Messrs. Rustomji Mangaldas & Co, Mill Premises; *No. of Spindles*: Ring 32140; *No. of Looms*: 718.

NEW PRATAP SPG. WVG. & MFG. CO. LTD., Dhulia (West Khandesh); *Agents*: Messrs. Motilal Manekchand & Sons, Post Dhulia; *No. of Spindles*: Ring 46136; *No. of Looms*: 1058.

NEW SHORROCK SPG. & MFG. CO. LTD., Nadiad (District Kaira); *Agents*: Messrs. Mafatlal Chandulal & Co. Ltd., Asarva Road, Railwaypura Post, Ahmedabad; *No. of Spindles*: Ring 45188; *No. of Looms*: 862.

NIRANJAN MILLS LTD., Falsawadi, Surat; *Agents*: Messrs. Shapoorji & Co., Mill Premises; *No. of Spindles*: Ring 8044; *No. of Looms*: 320.

PETLAD BULAKHIDAS MILLS CO. LTD., Near Station Road, Petlad (*Via* Anand); *Agents*: Messrs. Motilal Kashandas & Co, Mill Premises; *No. of Spindles*: Ring 18256.

PRABHA MILLS (Formerly Viramgam Mills), Fulwadi Road, Viramgam; Owners: Messrs. Janak Ltd., 59, Forbes Street, Fort, Bombay; *No. of Spindles*: Ring 23300; *No. of Looms*: 559.

PRATAP SPG. WVG. & MFG. CO. LTD., Amalner, East Khandesh; *Agents*: Messrs. Motilal Maneckchand & Co., Amalner, East Khandesh; *No. of Spindles*: Ring 48952; Total 48952; *No. of Looms*: 1087; (13 Blanket).

RAJA BAHADUR MOTILAL POONA MILLS LTD., 5, Kennedy Road, Poona; *Agents*: Messrs. Mukundlal Bansilal & Sons, Hamam House, Hamam Street, Fort, Bombay; *No. of Spindles*: Ring 16424; *No. of Looms*: 553.

RAJA RAGHUNATHRAO MILLS, Bhor; *Owners*: Messrs. Maharashtra Textiles Ltd., Mill Premises; *No. of Spindles*: Ring 852; *No. of Looms*: 31.

RAJKOT SPG. & WVG. MILLS, LTD., Karansinghji Cross Road, Karanpura, Rajkot; *Agents*: Messrs. Shapoorji Pallonji & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 10872; *No. of Looms*: 203.

RAJRATNA NARANBHAI MILLS CO. LTD., Petlad; *Agents*: Messrs. Ramanlal Keshavlal & Co., Mill Premises; *No. of Spindles*: Ring 18560; *No. of Looms*: 378.

SANTOKBHAI SPG. & WVG. FACTORY, Bhavsinghji Road, Bhavnagar; *Owners*: Messrs. Govindlal Gandalal Gundigara, Mill Premises; *No. of Spindles*: Ring 3272.

SECUNDER SARI MILLS, Sowdagar Mohalla, Bhivandi (Thana District); *Owner*: Abdul Quadir Secunder Patel, Esq., Mill Premises; *No. of Looms*: 103.

SHOLAPUR SPG. & WVG. CO. LTD., Station Road, Sholapur; *Agents*: Messrs. Morarka & Co., Standard Building, Hornby Road, Fort, Bombay; *No. of Spindles*: Ring 105296; *No. of Looms*: 2234.

SHREE BALAJI SPG., WVG. & OIL MILLS, Extension Part, Sangli; *Prop.*: Jayanarayan Sivnath Ladda, Esq., Mill Premises; *No. of Spindles*: Ring 5140; *No. of Looms*: 94.

SHREE DIGVIJAYASINGHJI SPG. & WVG. M LLS, Bedeshwar Bunder Road, Jamnagar; *Proprietor*: Mr. Mangaldas H. Patel, Mill Premises; *No. of Spindles*: Ring 15000; *No. of Looms*: 72.

SHREE HARI COTTON MILLS LTD. (Formerly Siddhraj Mills), Near Rly. Station, Sidhpur (N. G.) *Props.*: Messrs. Jalan Bros., Mill Premises; *No. of Spindles*: Ring 3262.

SHRI HARSHAD TEXTILE MILLS, Jamnagar; Messrs. P. V. Shah, D. K. Shah & G. M. Maroo, Partners, Mill Premises; *Looms*: 92.

SHRI RAMESH COTTON MILLS LTD. (Formerly Morvi Cotton Mills Ltd.), Morvi, Saurashtra; *Agents*: Messrs. The Morvi Industries Ltd., Mill Premises; *Spindles*: Ring 11988; *Looms*: 324.

SHREE SAYAJI JUBILEE COTTON & JUTE MILLS CO. LTD., Opp. Rly. Station, Sidhpur; *Agents*: Messrs. Prehadji Sevakram & Co., Mill Premises; *No. of Spindles*: Ring 14412; *No. of Looms*: 320.

SHREE VIJAYALAXMI COTTON MILLS LTD. (Formerly Cambay State Mills), Husein Yawar Road, Cambay (Dist. Kaira); *Agents*: The Textile Agents Ltd., Mill Premises; *No. of Spindles*: Ring 17936; *No. of Looms*: 336.

SHREE YAMUNA MILLS CO. LTD, Goya Gate, Baroda; *Agents*: Messrs. Zaverchand Laxmichand Bros. & Co., Goya Gate, Baroda; *No. of Spindles*: Ring 23640; *No. of Looms*: 608.

SHRI AMARSINGHJI MILLS LTD., Wankaner, Saurashtra; *Agents*: Messrs. Jayantilal Amritlal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 12624; *No. of Looms*: 320.

SHRI GAJANAN MILLS, Sudamapuri, Sangli; S.M.C.; *Prop.*: V. R. Velankar, Esq., Mill Premises; *No. of Spindles*: Ring 5376; *No. of Looms*: 135; (Not working since Feb. 1948).

SHRI JAGDISH MILLS LTD., Padra Road, Post Box No. 24, Baroda; *Agents*: M/s. Jagdish (Agency) Ltd., Mill Premises; *No. of Spindles*: Ring 20320; *No. of Looms*: 407.

SHRI LAXMI TEXTILE MILLS LTD., Bhor; *Mg. Agents*: Messrs. H. R. Karandikar, D. B. Phatak, M. G. Desai, Mill Premises; *No. of Spindles*: Ring 4080.

SHRI NARAYAN WEAVING MILLS, Ichalkaranji, S.M.C.; *Proprietors*: Messrs. Sangle Brothers, Mill Premises; *No. of Looms*: 92.

SHRI SAYAJI MILLS CO. LTD., Near Railway Station, Baroda; *Agents*: Messrs. Vadilal Lallubhai & Co., Mill Premises; *No. of Spindles*: Ring 25780; *No. of Looms*: 602.

SHRI SHAHU CHHATRAPTI MILLS, Shahupuri, Kolhapur; *Agents*: Messrs. James Finlay & Co. Ltd., Chartered Bank Building, Fort, Bombay; *No. of Spindles*: Ring 15988; *No. of Looms*: 319.

SIDHPUR MILLS CO. LTD., Sidhpur; *Agents*: Messrs. Maganlal Parbhudas & Co., Mill Premises; *No. of Spindles*: Ring 19320.

SURAT COTTON SPG. & WVG. MILLS LTD.. Nawabwadi, Surat; *Mg. Director*: Mr. Navichandra Mafatlal, 29, Churchgate Street, Fort, Bombay; *No. of Spindles*: Ring 21764; *No. of Looms*: 392.

TIKEKAR TEXTILE MILLS LTD., Tikekarwadi, Sholapur District; *Mg. Agents*: Messrs. Naik & Co., Mill Premises; *No. of Looms*: 60.

VENKETESH RANG TANTU MILLS, Ichalkaranji, S.M.C.; *Owners*: Messrs. S. K. Datar, A. V. Datar, Y. V. Datar & M. V. Datar; Mill Premises; *No. of Looms*: 51.

VENUS TEXTILE MILLS LTD., Opp. Rly. Station, Nandol Degham; *Agents*: Messrs. T. Bhogilal & Sons, Mill Premises; *No. of Spindles*; Ring 3452.

VISHNU COTTON MILLS LTD., Sholapur; *Agents*: Messrs. The Bombay Co. Ltd., 9, Wallace Street, Fort, Bombay; *No. of Spindles*: Ring 44600; *No. of Looms*: 1433 (12 Blanket).

RAJPUTANA

EDWARD MILLS CO. LTD., Beawar; *Mg. Dr.*: Rai Saheb Seth Motilalji Raniwalla, Diggi Street, Beawar; *No. of Spindles*: Ring 20488; *No. of Looms*: 376.

JAIPUR SPG. & WVG. MILLS LTD., Near Power House, Jaipur, *Mg. Agents*: Messrs. Shree Laxmi Traders, Ltd., Jobner Baug, Jaipur; *No. of Spindles*: Ring 5096.

KOTAH TEXTILES LTD., Bhimgunj, Kotah Junction; *Mg. Agents*: Messrs. Sagarmal Spg. & Wvg. Mills Ltd., Mill Premises; *No. of Spindles*: Ring 7590; *No. of Looms*: 160.

KRISHNA MILLS LTD., Near Railway Station, Beawar; *Agents*: Messrs. Thakurdass Khinvraj & Co., Mill Premises; *No. of Spindles*: Mule 2628, Ring 15640; Total 18268; *No of Looms*: 636.

MAHALAXMI MILLS CO. LTD., Beawar; *Mg. Dr.*: Rai Saheb Sheth Lalchand Kothari, Mill Premises; *No. of Spindles*: Ring 13728; *No. of Looms*: 416.

MAHARAJA KISHENGARH MILLS LTD., Madanganj, Kishengarh; *Mg. Agents*: Rai Bahadur Sheth Tikamchand Bhagchand Ltd., Madanganj, Kishengarh; *No. of Spindles*: Mule 4320; Ring 22330; Total 26650; *No of Looms*: 392.

MAHARAJA SRI UMAID MILLS LTD., Pali-Marwar; *Agents*: Messrs. The Shree Krishna Agency Ltd., Mill Premises; *No. of Spindles*: Ring 17136; *No of Looms*: 427.

MEAWAR TEXTILE MILLS LTD., Bhilwara; *Mg. Agents*: Messrs. Sobhagmal Sampatmal Lodha, Office on Mill Premises; *No. of Spindles*: Ring 7812; *No of Looms*: 250.

SREE BIJAY COTTON MILLS LTD., Near Railway Station, Bijaynagar (Ajmer); *Mg. Director*: Seth Raghunathsingh Mansinghka, Mill Premises: *No. of Spindles*: Ring 11560; *No. of Looms*: 327.

SHREE MAHADEO COTTON MILLS LTD., Bhilwara; *Mg. Director*: Seth Sanwarmal Mansinghka, Mill Premises; *No of Spindles*: Mule 1280, Ring 3260, Total 4540; *No of Looms*: 45 (Looms not working).

BERAR

BERAR MFG. CO. LTD., Badnera; *Agents*: Messrs. Kastoorchand Dadabhoy & Co., Ilaco House, Sir Phirozshah Mehta Road, Fort, Bombay; *No of Spindles*: Ring 21384; *No. of Looms*: 369.

R. S. REKHCHAND GOPALDAS MOHOTA SPG. & WVG. MILLS LTD., Akola; *Mg. Agents*: Messrs. Bulakidas Mohota & Co. Ltd., Mill Premises, *No. of Spindles*: Mule 468, Ring 21408; Total 21876; *No of Looms*: 466.

SAVATRAM RAMPRASAD MILLS CO. LTD., Tajnapeth, Akola; *Agents*: Messrs. Savatram Sons Ltd., Akola; *No. of Spindles*: Ring 13096; *No of Looms*: 292.

VIDARBHA MILLS (BERAR) LTD., Ellichpur, Amraoti Dist; *Secretaries, Treasurers and Agents*: Messrs. Deshmukh & Co., Mill Premises; *No of Spindles*: Ring 12092; *No. of Looms*: 347.

CENTRAL PROVINCES

BENGAL NAGPUR COTTON MILLS LTD., Rajnandgaon; *Managing Agents*: Messrs. Shaw Wallace & Co., Post Box No. 70; 4, Bankshall Street, Calcutta; *No. of Spindles*: Ring 31476; *No of Looms*: 608 (16 Blanket).

BURHANPUR TAPTI MILL LTD., Burhanpur, Lal Baug, Nimar Dist.; *Agents*: Messrs. P. N. Mehta & Sons, Cooks Building, Hornby Road, Fort, Bombay; *No. of Spnidles*: Ring 29512, *No of Looms*: 600 (2 Automatic).

CENTRAL INDIA SPG., WVG. & MFG. CO. LTD. (Empress Mills), Nagpur, *Mg. Agents*: Messrs. Tata Industries Ltd., Bombay House, Bruce Street, Fort, Bombay ; *No. of Spindles*: Ring 115188 ; *No of Looms*: 2168 (31 Blanket), (10 Automatic).

MODEL MILLS (NAGPUR) LTD., Umrer Road, Nagpur ; *Agents*: Messrs. Bansilal Abirchand Dadabhoy & Co., Ilaco House, Sir Phirozshah Mehta Road, Fort, Bombay ; *No. of Spindles*: Ring 52408 ; *No of Looms* ; 950.

PULGAON COTTON MILLS LTD., Pulgaon (Dist. Wardha); *Mg. Agents*: Messrs. Hardayal Sons, 59, Apollo St. Bombay ; *No. of Spindles*; Ring 15728 ; *No of Looms*: 245.

RAI BAHADUR BANSILAL ABIRCHAND SPG. & WVG. MILLS LTD., Hinganghat, (Dist. Wardha) ; *Owners*: Shrimathi Sodra Devi N. Daga & Others, Mill Premises ; *No. of Spindles*: Ring 31600; *No. of Looms*: 394.

RAI SAHEB REKHCHAND MOHOTA SPG. & WVG. MILLS, Hinganghat (Dist. Wardha) ; *Mg. Director*: Seth Mathurdas Mohota, Mill Premises; *No. of Spindles*: Ring 21672; *No. of Looms*: 413.

BIHAR AND ORISSA

BIHAR COTTON MILLS LTD., Phulwari-Sharif, Patna ; *Mg. Agents*: Messrs. Kashinath & Co. Ltd., Mill Premises ; *No. of Spindles*: Ring 5500; *No. of Looms* : 159.

GAYA COTTON AND JUTE MILLS LTD., Gaya; *Managing Director*: G. P. Prasad Bhadani, Esq., Mill Premises; *No. of Spindles*: Mule 1188, Ring 19012, Total 20200 ; *No. of Looms*: 586.

HYDERABAD

AURANGABAD MILLS LTD., Aurangabad ; *Agents*: Messrs. Gupta & Sons, Empire House, Hornby Road, Fort, Bombay ; *No. of Spindles*: Mule 2640, Ring 13908, Total 16548 ; *No. of Looms* : 271.

AZAMJAHI MILLS LTD., Warangal; *Agents*: The Industrial Trust Fund, Government of Hyderabad, 159, Gunfoundry Road, Hyderabad (Deccan) ; *No. of Spindles*: Ring 19944 ; *No. of Looms* : 430.

DEWAN BAHADUR RAMGOPAL MILLS LTD., Elchigudda, Secunderabad (Deccan) ; *Agents*: Messrs. Lachminarayan Ramgopal & Sons Ltd., Post Box No. 5, Secunderabad (Deccan) ; *No. of Spindles*: Ring 16376 ; *No. of Looms*: 303.

HYDERABAD (DECCAN) SPG. & WVG. CO. LTD., Elchigudda, Secunderabad (Deccan) ; *Agents*: Messrs. Ramannah Bhoomiah and Venkata Krishniah, Post Box No. 15, Secunderabad (Deccan); *No. of Spindles*: Ring 13080 ; *No. of Looms*: 241.

MAHABOOBSHAHI KULBURGA MILLS CO. LTD., Gulbarga ; *Agents*: Messrs. Dayaram Surajmal Lahoti, Begumpet (Deccan); *No. of Spindles*: Ring 27764; *No. of Looms* : 598.

OSMANSHAHI MILLS LTD., Nanded ; *Agents*: The Industrial Trust Fund, Government of Hyderabad, 159, Gunfoundry Road, Hyderabad (Deccan) ; *No. of Spindles* : Ring 24708 ; *No. of Looms* : 619.

CENTRAL INDIA

BHOPAL TEXTILES LTD., Bhopal; *Agents*: Messrs. Sir J. P. Srivastava & Sons (Rampur) Ltd., Mill Premises; *No. of Spindles*: Ring 15004; *No. of Looms*: 400.

BINOD MILLS CO. LTD. (Binod Mills), Ujjain, Gwalior; *Secretaries, Treasurers and Agents*: Messrs. Binodiram Balchand Ltd., Mill Premises; *No. of Spindles*: Ring 34932; *No. of Looms*: 857, (12 automatic).

BINOD MILLS CO. LTD., (Deepchand Mills), Ujjain, Gwalior; *Secretaries, Treasurers and Agents*: Messrs. Binodiram Balchand Ltd., Mill Premises; *No. of Spindles*: 16284; *No. of Looms*: 480.

HIRA MILLS LTD., Ujjain; *Agents*: Sir Sarupchand Hukamchand & Co., Sitalmata Bazar, Indore; *No. of Spindles*: Ring 26732; *No. of Looms*: 864.

HUKAMCHAND MILLS LTD., Indore; *Agents*: Messrs. Sarupchand Hukamchand & Co., Mill Premises; *No. of Spindles*: Mule 468, Ring 43920, Total 44388; *No. of Looms*: 1488 (5 Blanket).

INDORE MALWA UNITED MILLS LTD. (Old & New Mills) Indore; *Agents*: Messrs. Govindram Seksaria, 139, Medows Street, Fort, Bombay; *No. of Spindles*: Ring 49220; *No. of Looms*: 1248 (42 Blanket).

JIYAJEERAO COTTON MILLS LTD., Near Morar Road Rly. Station, Gwalior; *Mg. Agents*: Messrs. Birla Bros. Ltd., Mill Premises; *No. of Spindles*: Ring 38152; *No. of Looms*: 1438.

KALYANMAL MILLS LTD., Indore; *Secretaries, Treasurers and Agents*: Messrs. Tilokchand Kalyanmal & Co., Sitalmata Bazar, Indore; *No. of Spindles*: Ring 36412; *No. of Looms*: 1144.

K. S. NAZARALI MILLS (with Receiver), Nijatpura, Ujjain; *Proprietor*: Khan Saheb Seth Alabakhshji Muniruddin Nazarali, Mill Premises; *No. of Spindles*: Ring 17512; *No. of Looms*: 379.

MOTILAL AGARWAL MILLS LTD., Near Morar Road Railway Station, Gwalior; *Mg. Director*: L. Bansidar Bansal, Esq., Mill Premises; *No. of Spindles*: Mule 1464, Ring 12548, Total 14012.

NANDLAL BHANDARI MILLS LTD., Indore; *Secretaries, Treasurers and Agents*: Messrs. Nandlal Bhandari & Sons, Mill Premises; *No. of Spindles*: Mule 580, Ring 27428, Total 28008; *No. of Looms*: 771 (18 Blanket).

RAI BAHADUR KANHAIYALAL BHANDARI MILLS LTD., Malgodown Road, Indore; *Agents*: Messrs. Nandlal Bhandhari & Sons, Mill Premises; *No. of Spindles*: Ring 15696; *No. of Looms*: 351.

RAJKUMAR MILLS LTD., Silnath Camp Road, Indore; *Agents*: Sir Sarupchand Hukamchand & Co., Mill Premises; *No. of Spindles*: Ring 19728; *No. of Looms*: 704 (4 Blanket).

SHRI SAJJAN MILLS LTD., Ratlam; *Agents*: Messrs. Gopaldas Liladhar & Co., Mill Premises; *No. of Spindles*: 15824; *No. of Looms*: 436.

SHRI MAHARANI MAHALSABAI COTTON MILLS CO. LTD., Dewas Junior; *Agents*: Seth Dwarkadas Dharamsey, Station Road, Ratlam; *No. of Spindles*: Ring 10244.

SWADESHI COTTON AND FLOUR MILLS LTD., Silnath Camp, Indore; *Managing Agents*; Messrs. Jagannath Narayan & Co., Mill Premises, Indore; *No. of Spindles*: Ring 15332; *No. of Looms*: 362 (28 Blanket).

WEST BENGAL PROVINCE

BANGA SRI COTTON MILLS LTD., Sodepore (24 Parganas); *Agents*: Messrs. Shah Chaudhari & Co., Ltd., 23, Harrochander Mullick Street, Calcutta; *No. of Spindles*: Ring 10728; *No. of Looms*: 276.

BANGESWARI COTTON MILLS LTD., Serampore, Hooghly; *Managing Director*: Dr. Narendranath Law, 63, Radhabazar, Calcutta; *No. of Spindles*: Ring 9800; *No. of Looms*: 300.

BANGODAYA COTTON MILLS LTD., Panihati (24 Parganas); *Secretary*: Mr. Vassonji Damodar, Mill Premises; *No. of Looms*: 340.

BASANTI COTTON MILLS LTD., Barrackpore Trunk Road, Panihati (24 Parganas); *Agents*: Messrs. The Calcutta Agencies Ltd., 14, Clive Street, Calcutta; *No. of Spindles*: Ring 12664; *No. of Looms*: 356.

BENGAL BELTING WORKS LTD., Bosepura Lane, Serampore; *Mg. Agents*: Messrs. S. K. Roy & Co. Ltd., 2 Dalhousie Square East, Calcutta; *No. of Spindles*: Ring 1980; *No. of Looms*: 77.

BENGAL LUXMI COTTON MILLS LTD., Mahesh, Serampore, Dist. Hoogly; *Agents*: Messrs. The Bengal Textile Agency, 11, Clive Row, Calcutta; *No. of Spindles*: Ring 35916: *No. of Looms*: 936.

BOWREAH COTTON MILLS CO. LTD., Bowreah, Dist. Howrah; *Agents*: Messrs. Kettlewell Bullen & Co. Ltd., 21, Strand Road, Calcutta; *No. of Spindles*: Ring 42872; *No. of Looms*: 835.

DUNBAR MILLS LTD., (Nos. 1, 2, 3 & 4) Shamnagar (24 Parganas); *Agents*: Messrs. Kettlewell Bullen & Co. Ltd., 21, Strand Road, Culcutta; *No. of Spindles*: Ring 42944; *No. of Looms*: 518.

EAST INDIA COTTON MILLS LTD., Maurigram, Howrah District; *Managing Director*: Mr. S. P. Chakravarti & Mr. Manabendra Mohan Kandu Chowdhury, 120, Maharshi Debendra Road, P.O. Hatkola, Calcutta; *No. of Looms*: 96.

HINDUSTAN COTTON MILLS LTD., Belgurriah (24 Parganas); *Managing Director*: Dr. A. C. Sen Gupta, National Bank Building, P-2, Mission Row Extension, Calcutta; *No. of Looms*: 120.

HOOGHLY COTTON MILLS, Serampore; *Proprietor*: Mr. A. W. Sen, Mill Premises; *No. of Spindles*:............; *No. of Looms*:............

KESORAM COTTON MILLS LTD., 42, Garden Reach Road, Calcutta, *Agents*: Messrs. Birla Bros. Ltd., 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 57900; *No. of Looms*: 1990.

MAHALUXMI COTTON MILLS LTD., Palta (24 Parganas); *Mg. Agents*: Messrs. H. Datta & Sons Ltd., 15, Netaji Subhas Road, Calcutta; *No. of Spindles*: Ring 5788; *No. of Looms*: 169.

MANINDRA MILLS LTD., Cossim Bazar, Mursidabad; *Agents*: Messrs. Choudhury Roy & Co. Ltd., 23, Hurro Chunder Mullick Street, Calcutta; *No. of Looms*; 96.

MOHINI MILLS LTD., (No. 2) Belghurriah (24 Parganas); *Agents*: Messrs. Chakravarti Sons & Co., 22 Canning Street, Calcutta; *No. of Spindles*: Ring 16576; *No. of Looms*: 334.

PRAVATI TEXTILE MILLS LTD., Panihatti; *Agents*: Messrs. K. C. Biswas & Co., Mill Premises; *No. of Looms*: 52 (Automatic).

RAMPOORIA COTTON MILLS LTD., Serampore, Mohesh; *Mg. Agents*: Messrs. Hazarimall Heeralal, 148, Cotton Street, Calcutta; *No. of Spindles*: Ring 23196; *No. of Looms*: 795.

SHREE HANUMAN COTTON MILLS CO., Fuleshwar, P.O. Ulubaria, Dist. Howrah; *Owners*: Messrs. Partabmul Rameshwar & Nursingh & Co., 46, Strand Road, Calcutta; *No. of Spindles*: Ring 24916.

SHREE RADHA KRISHNA COTTON MILLS LTD. (No. 1), 122, Old Ghusery Road, Howrah; *Mg. Agents*: Messrs. Sadhuram Tularam, Mill Premises; *No. of Spindles*: Ring 23232.

SHREE RADHA KRISHNA COTTON MILLS LTD. (No. 2), 175 Girish Ghosh Road, Belur, Howrah Dist.; *Mg. Agents*: Messrs. Sadhuram Tularam, 122, Old Ghusery Road, Howrah; *No. of Spindles*; Ring 18732; *No. of Looms*; 564.

SHREE RADHESYAM MILLS LTD., 220, Naskarpara Road, Ghusery, Howrah; *Agents*: Messrs. Sobharam Keshavdeo, 15, Netaji Subhas Road, Calcutta; *No. of Spindles*: Mule 14774, Ring 30592, Total 45366; *No. of Looms*: 416.

SIDDHEWARI COTTON MILLS, Anantpur, Howrah; *Owners*: Messrs. Manna Mondal and Mullick & Co., Mill Premises; *No. of Looms*: 112.

SRI DURGA COTTON SPG. & WVG. MILLS LTD., Konnagar, (E.I.Rly.); *Agents*: Messrs. Choudhury & Co. Ltd., 23, Hurrochander Mullick Street, Calcutta; *No. of Spindles*; Ring 5532; *No. of Looms*: 220.

SWADESHI INDUSTRIES LTD., Panihatti; *Mg. Agents*: Messrs. Anandaram Gajadhar, 100, Netaji Subhash Road, Calcutta; *Looms*: 151.

VICTORIA COTTON MILLS, Ghoosery, Salkia P.O. (Howrah Dist.) *Proprietors*: Messrs. Partabmul Rameshwar and Nursingh & Co., 46, Strand Road, Calcutta; *No. of Spindles*: Ring 12304.

VIDYASAGAR COTTON MILLS LTD., Sodepur (Dt., 24 Parganas); *Agents*: Messrs. United Commercial Agency Ltd., Colootola St., Calcutta; *No. of Spindles*: Nil; *No. of Looms*: 156.

EAST PUNJAB

DAYALBAGH SPG. & WVG. MILLS LTD., Putligarh, G. T. Road, Amritsar; *Proprietors*: Sir Sahabji Maharaj Mills, Ltd., Mill Premises: *No. of Spindles*: Mule 8200, Ring 3948, Total, 12148; *No. of Looms*: 252.

PUNJAB CLOTH MILLS LTD., Bhiwani (Dist. Hissar); *Mg. Director*: Mr. Radhakishen Puranmal, Bhiwani; *No. of Spindles*: Ring 7908; *No. of Looms*: 225.

SETH SPINNING LTD. (Formerly Amritsar Spg. Mills), G. T. Road, Amritsar; *Agents*: Messrs. Chunilal Seth & Bros. Ltd., Mill Premises; *No. of Spindles*: 4648; *No. of Looms* 120.

TECHNOLOGICAL INSTITUTE OF TEXTILES (Formerly Bhiwani Cloth Mills, Ltd.), Bhiwani; *Agents*: Messrs. Birla Education Trust, Pilani (Jaipur); *No. of Spindles*: Ring 13560; *No. of Looms*: 287.

DELHI PROVINCE

BIRLA COTTON SPG. & WVG. MILLS LTD., Subzimundi, Delhi; *Agents*: Messrs. Birla Bros. Ltd., 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 32028; *No. of Looms*: 590.

DELHI CLOTH & GENERAL MILLS CO. LTD., (Mills Nos. 1, 2 & 3), Rohtak Road, Delhi; *Mg. Directors*: Sir Shri Ram & Sir Shankar Lal, P. O. Box No. 39, Delhi; *No. of Spindles*: Ring 73888; *No. of Looms*: 1829 (198 Automatic Looms).

GOENKA COTTON SPG. & WVG. MILLS CO. LTD., Grand Trunk Road, Delhi; *Mg. Agents*: Messrs. Parsram Harnandrai, Khatra Tobacco, Khari Baoli, Delhi; *No. of Looms*: 307. (Closed since March 1927).

LAKSHMICHAND JAIPURIA MILLS (Mahabir Cotton Spg. & Wvg. Company Limited, Lease holders) Subzimundi, Delhi; *Owner*: Mr. R. S. Seth Ram Cowar Jaipuria, Mill Premises; *No. of Spindles*: Mule 4788, Ring 9924, Total 14712; *No. of Looms*: 226.

UNITED PROVINCES OF AGRA AND OUDH

ATHERTON MILLS, Anwarganj, Kanpur; *Owners*: Messrs. Atherton West & Co. Ltd., Post Box No. 67, Kanpur; *No. of Spindles*: Ring 39300; *No. of Looms*: 898.

BENARES COTTON AND SILK MILLS, LTD., Chowkaghat, Benares Cantonment; *Mg. Agents*: Messrs. Sital Prasad Kharag Prasad, Mill Premises; *No. of Spindles*: Mule 1360, Ring 21752; Total 23112; *No. of Looms*: 503.

BIJLI COTTON MILLS LTD., Sasni Gate, Mendu Road, Hathras City; *Mg. Agents*: Messrs. N. K. Ltd., Freegunj, Agra; *No. of Spindles*; Ring 12780; *No. of Looms*: 20.

CAWNPORE COTTON MILLS CO. (C.C.M.), Cooperganj, Kanpur; *Owners*: Messrs. The British Indian Corporation Ltd., Post Box No. 3, Kanpur; *No. of Spindles*: Mule 8640, Ring 36656, Total 45296; *No. of Looms*: 972 (6 Blanket).

CAWNPORE COTTON MILLS CO., Juhi, Kanpur; *Owners*: Messrs. The British India Corporation Ltd., Post Box No. 3, Kanpur; *No. of Spindles*: Mule 26352.

CAWNPORE TEXTILES LTD., Cooperganj, Kanpur; *Mg. Agents*: Messrs. Begg Sutherland & Co. Ltd., Sutherland House, Kanpur, *No. of Spindles*: Ring 23936; *No. of Looms*: 510.

DAYALBAGH TEXTILE MILLS LTD., Dayalbagh, Agra ; *Agents*: Social Security & Service Corporation Ltd., Dayalbagh; *No. of Looms*: 72; (120 Ring Wool *Spindles* & 6 Blanket Handlooms).

ELGIN MILLS CO. LTD., Civil Lines, Kanpur; *Mg. Agents*: Messrs. Begg Sutherland & Co. Ltd., Sutherland House, Kanpur; *No. of Spindles*: Mule 13272, Ring 37878, Total 51144; *No. of Looms*: 1198.

INDRA SPG. & WVG. MILLS, Jeoni-ka-Mandi, Agra; *Owner*: Seth Suganchand, Mill Premises; *No. of Spindles*: Mule 12720, Ring 1200, Total 13920.

JOHN'S MILLS CO., Jeoni-ka-Mandi, Agra; *Owners*: Mr. J. E. John, Mr. M. L. John & Mrs. D. John Merzans, 46, Cantonment, Agra; *No. of Spindles*: 51360.

J. K. COTTON MANUFACTURERS LTD., Darshanpura, Kamlapat Road, Kanpur, *Mg. Agents*: Messrs. J. K. Commercial Corporation Ltd., Kamla Tower, Kanpur; *No. of Spindles*: Ring 22200; *No. of Looms*: 30.

JUGGILAL KAMLAPAT COTTON SPG. & WVG. MILLS CO. LTD., Anwarganj, Juhi, Kanpur; *Mg. Director*: Sir Padampat Singhania, Kamla Tower, Kanpur; *No. of Spindles*: Ring 44964; *No. of Looms*: 980.

KANAUJ DYEING & WVG. MILLS, Moh. Patanala Kanauj (U.P.); *Owner*: Mr. Sarju Prasad Sheo Narayan Gupta, Mill Premises; *No. of Spindles*: Nil; *No. of Looms*: 58.

LAKSHMIRATAN COTTON MILLS CO. LTD., Kalpi Road, Kanpur; *Mg. Agents*: Messrs. B. R. Sons, Behari Nivas, Kanpur; *No. of Spindles*: Ring 29340; *No. of Looms*: 773, (26 Blanket).

LALLA MAL HARDEO DASS COTTON SPG. MILL CO., Sadabad Gate, Hathras City, Aligarh District; *Receiver & Manager*: Mr. D. D. Seth, Mill Premises; *No. of Spindles*: Mule 4346, Ring 6536, Total 10882.

MORADABAD SPG. & WVG. MILLS CO. LTD., Moradabad; *Mg. Director*: Lala Hariraj Swarup, Kundanpur, Moradabad; *No. of Spindles*: Mule 8400, Ring 5104, Total 13504.

MUIR MILLS CO. LTD., Kanpur; *Mg. Agents*: The Indian Textile Syndicate Ltd., C/o Messrs. T. E. Thomson & Co. Ltd., 9A, Esplanade East, Calcutta; *No. of Spindles*: Mule 30528, Ring 57456, Total 87984; *No. of Looms*: 1649.

NARAIN COTTON MILL, Bansumandi, Kanpur; *Owners*: Messrs. H. Bevis & Co., Subjimandi, Kanpur; *No. of Spindles*: Mule 456, Ring 14200, Total 14656; *No. of Looms*: 189.

NEW VICTORIA MILLS CO. LTD., Gwaltoli, Kanpur; *Secretaries*: Messrs. J. P. Shrivastava & Sons Ltd., P. B. No. 46, Kanpur; *No. of Spindles*: Mule 7306, Ring 64772, Total 72078; *No. of Looms*: 1367.

PREM SPG. & WVG. MILLS CO. LTD., Ujhani; *Secretary*: L. Kailash Chandra Soni, Ujhani (U.P.); *No. of Spindles*: Ring 17600.

RAMCHAND SPG. & WVG. MILLS, Hathras City, Aligarh District; *Owners*: Messrs. Hiralal Gulabchand & Co., Mursan Gate, Hathras City; *No. of Spindles*: Mule 3540, Ring 16480, Total 20020; *No. of Looms*: 171.

RAZA TEXTILES LTD., P.O. Jwalanagar, Rampur; *Mg. Agents*: Messrs. Sir J. P. Srivastava & Sons (Rampur) Ltd., Rampur; *No. of Spindles*: Ring 19612; *No. of Looms*: 440.

SACHENDI COTTON MILLS, Sachendi; *Agents*: Messrs. Naraindas Gopaldas, Shree Dwarkadish Road, Kanpur; *Spindles*: Mule 2640, Ring 800, Total 3440.

SHRI RADHA KRISHNA MILLS, Narghat, Mirzapore; *Agents*: Messrs. Seksaria Bros. Ltd., 15, Vivekananda Road, Calcutta; *No. of Looms*: 74.

SHRI VIKRAMA COTTON MILLS, LTD. (Formerly R. G. Cotton Mills), Talkatora, Lucknow, *Mg. Agents*: Ranjit Singh & Sons Ltd., Mill Premises; *No. of Spindles*: Ring 17544; *No. of Looms*: 321.

SWADESHI COTTON MILLS CO. LTD., Juhi, Kanpur; *Mg. Agents*: Messrs. Jaipuria Bros. Ltd., Generalganj, Kanpur; *No. of Spindles*: Mule 988, Ring 113848, Total 114836; *No. of Looms*: 1877.

MADRAS PROVINCE

AARON SPG. & WVG. MILLS LTD., Pappinisseri (N. Malabar); *Managing Director*: C. S. Aaron Esq., Mill Premises; *No. of Looms*: 321, (12000 Ring Spindles under erection).

ALAGAPPA TEXTILES (Cochin) LTD., Alagappanagar (Cochin State); *Agents*: Messrs. Ramal & Co. Ltd., Alagappanagar P. O.; *No. of Spindles*: Ring 40172.

ASHER TEXTILES LTD., Avanashi Road, Tiruppur (Coimbatore District); *Managing Agents*: The Textile Corporation Ltd., Mill Premises; *No. of Spindles*: Ring 14000.

BALAKRISHNA MILLS LTD., 21, East Madura Station Road, Madura; *Mg. Director*: Mr. A. H. S. Ramaswamy Iyer & Sons; Mill Premises; *No. of Spindles*: Nil; *No. of Looms*: 83.

BUCKINGHAM & CARNATIC CO. LTD., (Buckingham Mill) & (Carnatic Mill), Perambur, Madras; *Managing Agents*: Binny & Co., (Madras) Ltd., 7, Armenian Street, Madras; *No. of Spindles*: Ring 119468; *No of Looms*: 2773 (All automatic).

CAMBODIA MILLS LTD., Ondiputhur, Near Singanallur Rly. Station, Coimbatore District; *Managing Agents and Secretaries*: Messrs. Peirce, Leslie & Co. Ltd., Race Course, Coimbatore; *No. of Spindles*: Ring 29824; *No. of Looms*: 4.

CANNANORE SPG. & WVG. MILL LTD., Kakkat, Cannanore; *Mg. Agents*: Malabar Industrial Syndicate; Mill Premises; *No. of Spindles*: Ring 12000.

COIMBATORE COTTON MILLS LTD., Singanallur, Coimbatore District; *Agents*: Messrs. R. Beema Naidu & Co., Mill Premises; *No. of Spindles*: Ring 28342.

COIMBATORE KAMALA MILLS LTD., Uppilipalayam, Singanullur (Coimbatore Dist.); *Agents*: Messrs. R. V. Lakshmaiah Naidu & Co., Mill Premises; *No. of Spindles*: Ring 9504.

COIMBATORE MURUGAN MILLS LTD., Mettupalayam Road, Coimbatore; *Agents*: Messrs. T. A. Ramalinga Chettiyar Sons & Co., Mill Premises; *No. of Spindles*: Ring 19040.

COIMBATORE PIONEER MILLS LTD., Peelamedu, Coimbatore; *Agents*: Messrs. T. R. Narayanaswami Naidu & Co., Coimbatore; *No. of Spindles*: Ring 19280.

COIMBATORE SPG. & WVG. CO. LTD., Palm Grove Road, Coimbatore; *Secretaries and Agents*: Messrs. R. G. S. Naidu & Co., Mill Premises; *No. of Spindles*: Ring 48772; *No. of Looms*: 384

COIMBATORE SPG. & WVG. CO. LTD. (formerly Andhra Cotton Mills), Tadepalli, Guntur District; *Agents*: R. G. S. Naidu & Co.; *No. of Looms*: 80.

COMMONWEALTH WEAVING FACTORY, Cannanore, Malabar, South India; *No. of Looms*: 311.

DHANALAKSHMI MILLS LTD., Uttukuli Road, Tirupur; *Mg. Agents and Secretaries*: Messrs. M. Nanjappa Chetiar & Sons, Mill Premises; *No. of Spindles*: Ring 25300; *No. of Looms*: 126.

GNANAMBIKAI MILLS LTD., Vellakinar, Coimbatore; *Mg. Agents*: Messrs. V. C. V. Gounder & Bros., Vellakinar House, Vellakinar Post, Coimbatore; *No. of Spindles*: Ring 11200.

JANAKIRAM MILLS LTD., Shrivilliputhur Road, Rajapalayam; *Mg. Agents*: Messrs. Shakthi Ltd., Mill Premises; *No. of Looms*: 70.

JANARDANA MILLS LTD., Uppilipalayam, Singanallur Post, District Coimbatore; *Agents*: Messrs. G. V. Naidu & Co., Mill Premises; *No. of Spindles*; Ring 17880.

JAWAHAR MILLS LTD., Nehru Nagaram, Salem Junction; *Managing Agents*: Messrs. Umayambika & Co., Mill Premises; *No. of Spindles*: Ring 25672.

JAYALAKSHMI MILLS LTD., Uppilipalayam, Singanallur P.O.; *Mg. Director*: Mr. R. Venkataswamiji Naidu; *No. of Spindles*: Mule 1936, Ring 408, Total 2344.

JAYANTI RAMCHANDRAPPA SETTY MILLS LTD., Rayadrug (Bellary Dist.); *Mg. Director*: Mr. J. Venkataramanappa Shetty, Mill Premises; *No. of Spindles*: Nil; *No. of Looms*: 51.

JAYARAM MILLS LTD., Rajapalayam (Ramnad Dist.), *Agents*: Ramco Management Ltd., Mill Premises. *No. of Spindles*: Ring 1720. *No. of Looms*: 81.

KALEESWARAR MILLS LTD., Anupperpalayam, Coimbatore; *Agents*: Messrs. A. L. A. R. Arunachalam Chettiar & Dewan Bahadur P. Somasundaram Chettiar, Mill Premises; *No. of Spindles*: Ring 46112; *No. of Looms*: 295 (6 Drop Box Looms).

KANDAN TEXTILES LTD., Thiruvotiyur, Madras; *Agents*: C. S. & Co., 8, Second Line Beach, Madras; *No. of Looms*: 60.

KASTHURI MILLS LTD., Singanallur Railway Station, Coimbatore; *Agents*: Messrs. C. N. V. Naidu & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 12940.

KOTHARI TEXTILES LTD., Singanallur, Coimbatore District; *Managing Agents*: Messrs. Kothari & Sons, Oriental Buildings, Armenian Street, Madras; *No. of Spindles*: Ring 13824.

KUMARAN MILLS LTD., Pudupalayam, Idigarai P.O., Coimbatore; *Agents*: Messrs. N. Appuswamy Naidu & Co., Coimbatore; *No. of Spindles*: Ring 5880.

LAKSHMI MILLS CO. LTD. (No. 1) Pappanaickenpalayam, Avanashi Road, Coimbatore; *Agents*: Messrs. G. Kuppuswamy Naidu & Co., Mill Premises; *No. of Spindles*: Ring 42016.

LAKSHMI MILLS CO. LTD. (No. 2), Koilpati, Tirunelveli Dist; *Agents*: Messrs. G. Kuppuswamy Naidu & Co., Coimbatore; *No. of Spindles*: Ring 7776.

LOTUS MILLS LTD., Sundarapuram P.O., Podanur, Coimbatore District; *Agents*: Messrs. Lotus Agency Ltd., Mill Premises; *No. of Spindles*: Ring 13440.

LOYAL TEXTILE MILLS LTD., Kovilpatti, Tirunelveli District, South India; *Agents*: Southern Agencies Ltd., 2/21, Fisrt Line Beach, Madras; *No. of Spindles*: Ring 24242; *No. of Looms*: 224.

MADRAS SPG. & WVG. CO. LTD., Madras: *Secretaries and Agents*: Khandesh; Spg. & Wvg. Co. Ltd., Cambata Building, 42, Queen's Road, Fort, Bombay; *No. of Spindles*: Ring 40164; *No. of Looms*: 774 (Not working).

MADURA MILLS CO. LTD., Madura; *Managers*: Messrs. A. & F. Harvey Ltd., Tuticorin; *No. of Spindles*: Ring 230552.

MADURA MILLS CO. LTD., Tuticorin; *Managers*: Messrs. A. & F. Harvey Ltd., Mill Premises; *No. of Spindles*: Ring 60732.

MADURA MILLS CO. LTD. (Ambasamudram); *Managers*: Messrs. A. & F. Harvey Ltd., *No. of Spindles*: Ring 140736.

MADURA MILLS CO. LTD. (Pandyan Mills), Madura East; *Managers*: Messrs. A. & F. Harvey Ltd., Madura; *No. of Spindles*: Ring. 33304.

MAHALAKSHMI TEXTILE MILLS LTD., Pasumalai P. O., Madura; *Agents*: Messrs. S. S. N. Lakshmanan Chettiar & Co., Mill Premises; *No. of Spindles*: Ring 22000.

MALABAR SPG. & WVG. CO. LTD., Kallai (Malabar); *Agents*: Messrs. A. L. A. R. Somanadhan Chettiar, P. S. Sathappa Chettiar & A. K. T. K. M. Narayan Namboodripad, Mill Premises; *No. of Spindles*: Ring 19856.

METTUR INDUSTRIES LTD., Mettur Dam, Salem Dist.; *Agents*: Messrs. W. A. Beardsell & Co., Post Box No. 7, Madras; *No. of Spindles*: Ring 24252; *No. of Looms*: 603.

PALANI ANDAVAR MILLS LTD., Dhali Rd., Udamalpet (Coimbatore Dist.); *Mg. Agents*: Messrs. Baghyalakshmi & Co., Mill Premises; *No. of Spindles*: Ring 20400.

PANKAJA MILLS LTD., Puliakulam, Coimbatore; *Mg. Agents and Secretaries*: Messrs. C. S. Ratnasabapathy Mudaliar & Sons, P. O. No. 150, Coimbatore; *No. of Spindles*: Ring 26604.

PULLICCAR MILLS LTD., Tiruchengode, Salem Dist. *Mg. Agents*: Messrs. V. V. C. R. Viapuri Mudaliar & Sons, Mill Premises; *No. of Spindles*: Ring 6300.

RADHAKRISHNA MILLS LTD., Peelamedu, Coimbatore; *Mg. Agents*: Messrs. A. G. Gurusamy Naidu & Co., Mill Premises; *No. of Spindles*: Ring 36464.

RAJA MILLS, Madura; *Owner*: Mr. M. V. P. Kanagavel, Mill Premises; *No. of Spindles*: Ring 8080.

RAJALAKSHMI MILLS LTD., Uppilipalayam, Singanallur Post, Coimbatore; *Mg. Agents*: Messrs. B. Rangaswamy Naidu & Sons, Mill Premises; *No. of Spindles*: Ring 25120.

RAJAPALAYAM MILLS LTD., Rajapalayam, Ramnad Dist.; *Mg. Agents*: Messrs. Ramco Agencies Ltd., Ramamandram, Rajapalayam; *No. of Spindles*: Ring 14020.

SANKAR MILLS, Chatram, Pudukulam, Tirunelveli District; *Proprietors*: Messrs. S. Sankaranainar Pillai & Sons, Mill Premises; *No. of Looms*: 101.

SAROJA MILLS LTD., Singanallur, Coimbatore Dist.; *Mg. Agents*: Messrs. Tyagaraja Chetty & Sons, Ltd., Mill Premises; *No. of Spindles*: Ring 13020.

SHREE VENKATESA MILLS LTD., Udamalpet, Coimbatore Dist.; *Mg. Agents*: Messrs. G. V. Govindaswami Naidu & Co., 3/62, Pasupati Mudaliar St., Udamalpet; *No. of Spindles*: Ring 26360; *No. of Looms*: 228.

SITARAM SPINNING & WEAVING MILLS LTD., Trichur (Cochin State); *Mg. Agents*: Messrs. T. R. Anantharama Iyer & Bros. Ltd., Pushpagiri, Trichur; *No. of Spindles*: Ring 15540; *No. of Looms*: 416.

SOMASUNDARAM MILLS LTD., 270, Mill Road, Coimbatore; *Mg. Agent*: Mr. P. S. Sathappa Chettier, Trichy Road, Coimbatore; *No. of Spindles*: Ring 23200; *No. of Looms*: 390.

SOUNDARARAJA MILLS LTD., Power House Road, Dindigul; *Mg. Agents*: Messrs. Lakshman & Co., Mill Premises; *No. of Spindles*: Ring. 8080.

SHREE MEENAKSHI MILLS LTD., Thirupparankundram Road, Madura; *Agents*: Messrs. Thiagaraja Chetty & Co., Mill Premises; *No. of Spindles*: Ring 37204.

SREE RAJENDRA MILLS LTD., Gandhinagar, Salem; *Agents*: Messrs. Tyagaraja Chetty & Co. Ltd., Madura; *No. of Spindles*: Ring 13200.

SHREE SHUNMUGAR MILLS LTD., Rajapalayam; *Mg. Agents*: Messrs. Sree Alagai Ltd., Saraswati Nivas, Sivagamipuram Street, Rajapalayam; *No. of Spindles*: Ring 5500.

SREE SURYANARAYANA SPG. & WVG. MILLS, Pandalapaka, E. Godavari Dist.; *Mg. Director*: Mr. V. Satyanarayana Murty, Mill Premises; *No. of Spindles*: Ring. 5584.

SRI BALASUBRAMANIA MILLS LTD., Singanallur Post, Coimbatore Dist.; *Agents*: Messrs. K. Krishna Swamy Naidu & Brothers, Mill Premises; *No. of Spindles*: Ring. 12096.

SRI KOTHANDARAM SPG. MILLS, Chintamani Rubbish Depot Road, Mahalipatti, Madura; *Owners*: Messrs. S. S. Ramudu Iyer & Bros., 272, Ramnad Road, Madura; *No. of Spindles*: Ring 4000.

SRI KOTHANDARAM WVG. MILLS, Venkatapaty Iyengar Lane, Ramnad Road, Madura; *Agents*: Messrs. S. S. Ramudu Iyer & Bros., 272, Ramnad Road, Madura; *No. of Looms*: 82.

SRI PALAMALAI RANGANATHAR MILLS LTD., Perianaickenpalayalam P. O., Coimbatore Dist.; *Agents*: Messrs. S. K. Rangaswami Naidu & Co., Mill Premises; *No. of Looms*: Ring 5600.

SRI RAMACHANDRA SPG. & WVG. MILLS, Pandalapaka, E. Godavari Dist.; *Proprietors*: Messrs. D. Subbireddi, K. Bhamireddi and V. Chellama, Mill Premises; *No. of Spindles*: Ring 7044.

SRI RAMALINGA CHOODAMBIKAI MILLS LTD., Uthukuli Road, Tiruppur; *Agents*: Messrs. S. Kulli Chittiar & Bros., 60/4 Uttukuli Road, Tiruppur: *No. of Spindles*: Ring 13124.

SRI RANGA VILAS GINNING, SPG. & WVG. MILLS LTD., Peelamedu, Coimbatore; *Mg. Agents*: Messrs. P. S. Govindaswamy Naidu & Sons, Mill Premises; *No. of Spindles*: Ring 28408; *No. of Looms*: 79.

SRI SARADA MILLS LTD., Lokanathapuram, Podanur; *Mg. Agents*: Messrs. V. S. Sengottaiah & Bros., Bhakthi Vilas, Jail Road, Coimbatore; *No. of Spindles*: Ring 13672; *No. of Looms*: 170.

SRI SATYANARAYANA SPG. MILLS, Rajahmundry, Godavari Dt., *Proprietor*: Mr. Randhi Appalaswami, Rajahmundry; *No. of Spindles*: Ring 5504. (Closed since 1st April 1935).

THAIKESAR ALAI LTD., Madura, Usilampatti, Pudukottai; *Mg. Agents*: Sri Meenakshi Mills Ltd., Manapparai Post, Trichinopoly *No. of Spindles*: Ring 15200.

THIRUMAGAL MILLS LTD., Gudiyattam, North Arcot; *Agents*: Messrs. Thirumal & Co. Ltd., Mill Premises; *No. of Spindles*: Ring 12040.

TIRUMURTHI MILLS LTD., Bodipatti, Udamalpet; *Agents*: Messrs. Jayalakshmi & Co., Mill Premises; *No. of Spindles*: Ring 11200.

TRICHINOPOLY MILLS LTD., Kalligudi, Manapparai Road, Trichinopoly; *Agents*: Messrs. Mooljee Ramjee & Sons, Ramjee Nagar, Trichinopoly; *No. of Spindles*: Ring 16000.

VASANTA MILLS LTD., Singanallur Post, Coimbatore Dt.; *Mg. Agents and Secretaries*: Messrs. R. K. Shanmukham Chetty & Bros., Mill Premises; *No. of Spindles*: Ring 28104, *No. of Looms*: 270.

VIJAYALAKSHMI MILLS LTD. (Formerly Vysya Mills Ltd.), Kuniayamuthur, Coimbatore; *Agents*: Messrs. Gupta & Co. Ltd., P. O. Box No. 11, Coimbatore; *No. of Spindles*: Ring 11032.

TRAVANCORE

A. D. COTTON MILLS LTD., Quilon; *Agents*: Messrs. Girdharlal Amratlal Ltd., Mill Premises; *No. of Spindles*: Ring 12000; *No. of Looms*: 300.

ALWAYE TEXTILES LTD., Alwaye; *Mg. Agents*: Sankar Agencies, Ltd., Coimbatore; *No. of Spindles*: Mule 1008, Ring 5496, Total 6504; *No. of Looms*: 10.

MYSORE

BANGALORE WOOLLEN, COTTON & SILK MILLS CO. LTD., Agraram Road, Bangalore City; *Secretaries, Treasurers and Agents*: Messrs. Binny & Co. (Madras) Ltd., 7, Armenian St., Madras; *No. of Spindles*: Ring 39880; *No. of Looms*: 1157 (1139 Automatic).

DAVANGERE COTTON MILLS LTD., Davangere; *Mg. Agents*: Messrs. R. Hanumanthappa & Son, Hanumanthappa Building, Chitaldrug Road, Davangere; *No. of Spindles*: Ring 12960.

MINERVA MILLS LTD., Bangalore City; *Mg. Agents*: Messrs. N. Sirur & Co. Ltd., Temple Bar Building, 70, Forbes Street, Fort, Bombay; *No. of Spindles*: Ring 34016; *No. of Looms*: 476.

MYSORE SPG. & MFG. CO. LTD., Venkatarangaiengar Road, Malleshwaram, Bangalore City; *Mg. Agents*: Messrs. N. Sirur & Co. Ltd., Temple Bar Building, 70, Forbes Street, Fort, Bombay; *No. of Spindles*: Ring 49696; *No. of Looms*: 500.

SRI KRISHNARAJENDRA MILLS LTD., Siddalingapur, Mysore; *Chairman and Mg. Director*: H. Nanjundia, Esq., Mill Premises; *No. of Spindles*: Ring 25200; *No. of Looms*: 292.

SREE KRISHNA WVG. MILLS, Subramanyapura, Kengeri Post, Uttanhalli; *Proprietors*: Messrs. Yadalam Subbiah Shetty & Sons, Chickpet, Bangalore City; *No. of Looms*: 174.

SHREE SUYODAYA MILLS, Yeshwantpur, Bangalore City; *Proprietors*: Messrs. Rama Settiar and P. S. Santhapa Chettiar, Mill Premises; *No. of Looms*: 70.

T. R. MILLS, Chamarajpet, Bangalore City; *Owner*: Mr. D. R. Madhava Krishnaiya, Mill Premises; *No. of Looms*: 208.

PONDICHERY

ANGLO-FRENCH TEXTILE CO. LTD., Pondicherry; *Managing Agents*: Messrs. Best & Co. Ltd., Post Box No. 63, Madras: *No. of Spindles*: Ring 44256; *No. of Looms*: 1000.

ESTABLISHMENT TEXTILE DE MODELIARPETH S. A., Modeliarpet, Pondicherry; *Managing Director*: Mr. S. C. Ayyaroo, Mill Premises; *No. of Spindles*: Ring 15969; *No. of Looms*: 305.

"SAVANA" SOCIETE ANONYME DE FILATURE ET TISSAGE MECANIQUE, Savana (Inde-francaise), Pondicherry; *General Manager*: Mr. Marcel Valot, Mill Premises; *No. of Spindles*: Ring 22968; *No. of Looms*: 675.

[For Pakistan, please see overleaf]

PAKISTAN

SIND

DAULATRAM SPG. & WVG. MILLS, New Jail Country Club Road, Karachi; *Proprietor*: Seth Jamnnadas Ibji Dutia, Mill Premises; *No. of Spindles*: Ring 2216; *No. of Looms*: 60.

EAST BENGAL

ACHARYA PRAFULLA CHANDRA COTTON MILLS LTD., Boyra Main Road, Khulna; *Mg. Agents*: Bengal Workers Association Ltd., 3, Madan Street, Calcutta; *No. of Looms*: 110.

BAGERGHAT CO-OPERATIVE WEAVING UNION LTD., Bagerghat (E. Bengal); *Mg. Agents*: Bengal Provincial Co-operative Bank Ltd. 312 Dalhousie Square East, Calcutta; *No. of Looms*: 50.

CHITTARANJAN COTTON MILLS LTD., Narayanganj, Dacca; *Mg. Agents*: Messrs. The Keshavlal Industrial Syndicate, Ltd., 4, Simpson Road, Dacca; *No. of Spindles*: Ring 9720; *No. of Looms*: 150.

DACCA COTTON MILLS LTD., Postgollah, P. O., Faridabad, Dacca; *Mg. Agents*: Messrs. Gajraj Madanlal, Ramesh Chanda, Jogish Chandra Das, Mill Premises; *No. of Spindles*: Ring 4500; *No. of Looms*: 124.

DHAKESHWARI COTTON MILLS LTD. (Mill No. 1); Dhamgarh, Narayanganj, Dacca; *Mg. Director*: S. K. Basu, Esq., Srisdas Lane, Sangatollah, Dacca; *No. of Spindles*: Ring 28500; *No. of Looms*: 780.

DHAKESHWARI COTTON MILLS LTD. (Mill No. 2); Godnyle, Narayanganj, Dacca; *Mg. Director*: S. K. Basu, Esq. Srisdas Lane, Sangatollah, Dacca; *No. of Spindles*: Ring 19240; *No. of Looms*: 511.

LUXMINARAYAN COTTON MILLS LTD. Godnyle, Narayanganj, Dacca; *Mg. Agents*: The Dacca National Agency, Ltd., 3, Johnson Road, Dacca; *No. of Spindles*: Ring 5628; *No. of Looms*: 222.

LUXMI SPG. & WVG. MILLS LTD., Narayanganj, Dacca; *Agents*: The Textile Trust, Ltd., P. 39, Princep Street, Calcutta 13; *No. of Spindles*: Ring 2764.

MOHINI MILLS LTD. (No. 1), Kushtia; *Mg. Agents*: Messrs. Chakravarti Sons & Co., 22 Canning Street, Calcutta; *No. of Spindles*: Ring 18640; *No. of Looms*: 527.

WEST PUNJAB

LYALLPUR COTTON MILLS, Lyallpur (Branch of Delhi Cloth & General Mills, Delhi); *No. of Spindles*: Ring 32052; *No. of Looms*: 994.

MELARAM COTTON MILLS, Mela Ram Road, Lahore; *Proprietors & Occupiers*: Messrs. R. B. Gopal Das & Sons, Ltd., P. O. Box No. 20, Lahore; *No. of Spindles*: Mule 5200, Ring 10916, Total 16116; *No. of Looms*: 148.

PUNJAB TEXTILE MILLS LTD., P. O. Kot Dunichand, Lahore; *Mg. Director*: D. D. Puri, Esq., 2, Fane Road, Lahore; *No. of Spindles*: Ring 5040.

SUTLEJ COTTON MILLS LTD., Okara, *Mg. Agents*: Messrs. Birla Bros., Ltd., 8, Royal Exchange Place, Calcutta; *No. of Spindles*: Ring 22808; *No. of Looms*: 925.

STATISTICS REGARDING PAKISTAN IN 1948

No. of Mills (1948)	Total Spindleage	Total Looms	Total production of yarn and piecegoods (in thousand yds.) yarn	piecegoods
14	167,224	4,603	19,000	75,000

FINIS

MILLS IN COURSE OF ERECTION (1949)

BOMBAY PROVINCE

KARNATAK BHAGYODAYA MFG. CO., LTD., Bagalkot (Dist. Bijapur); *Managing Agent*: Mr. M. A. Patil, 1070, North-Kasaba, Sholapur City; *No. of Spindles*: 10000; *No. of Looms*: 2000.

SURAT TEXTILE MILLS LTD., Varachha Road, Surat; *Mg. Agents*: Messrs. Kanchanlal Kapadia & Co. Ltd., Mill Premises; *No. of Spindles*: 10000; *No. of Looms*: 2000.

ZAVERCHAND TEXTILE MILLS LTD., Vasant Engineering Compound, Goyagate, Baroda; *No. of Spindles*: 19000; *No. of Looms*: 300.

CENTRAL PROVINCES

SAGARMAL SPINNING & WVG. MILLS, LTD., Burhanpur (R. S.), C.P.; *Mg. Agents*: Sagarmal Lunkund & Sons, Sagar Mansions, Jalgaon, (E. Khandesh).

JAY SHREE TEXTILE MILLS, LTD., Central Provinces; *Mg. Agents*: Messrs. Birla Bros. Ltd., 8, Royal Exchange Place, Calcutta; *No. of Spindles*: 19000; *No. of Looms*: 600.

NARMADA COTTON MILLS LTD., Dist. of Jubbulpore; *Agents*: Messrs. Madhoprasad Manmohandas, Allahabad; *No. of Spindles*: 19000; *No. of Looms*: 300.

BIHAR AND ORISSA

BIHAR SPG. & WVG. MILLS LTD., Warsaliganj, Gaya; *Mg. Agents*: Messrs. Bhadani Bros. Ltd., Globe Mill Passage, DeLisle, Road, Bombay 13.

BENGAL PROVINCE

BAY OF BENGAL TEXTILES LTD., Joyrampur (Dist. Nadia); *Mg. Agents*: Messrs. A. Rashid & Co., 25/26, Waterloo Street, Calcutta; *No. of Spindles*: 10000; *No. of Looms*: 200.

BENGAL COTTON MILLS LTD., Sodepore, Calcutta; *Mg. Agents*: Messrs. Bhadani Bros. Ltd., Globe Mill Passage, DeLisle Road, Bombay 13.

BENGAL FINE SPG. & WVG. MILLS LTD., Kounagar (E. I. Rly.); *Mg. Agents*: B. C. Nawn & Bros. Ltd., Mercantile Bldgs. Lall Bazar, Calcutta; *No. of Spindles*: 13600; *No. of Looms*: 150.

BENGAL TEXTILE MILLS LTD.,; *Mg. Agents*: Messrs. D. N. Choudhury & Co. Ltd., 23, Hurrochundar Mullick Street, Calcutta; *No. of Spindles*: 15000; *No. of Looms*: 5000.

BIJOY COTTON MILLS LTD.,; *Mg. Agents*: Himatsingka & Sons, Ltd., 6, Old Post Office Street, Calcutta; *No. of Spindles*: 20000.

BIJOY LAKSHMI MILLS LTD., Sodepur, B.A.Rly., Ghola (24 Parganas); *Mg. Agents*: R. N. Industries Ltd., P/12, Centranl Avenue, P. O. Beadon Street, Calcutta.

DHALESWARI TEXTILES LTD., Near Asansol, West Bengal; *Mg. Agents*: Messrs. G. K. Ghosh & Co. (Textiles), Ltd., 33, Tollygunge, Circular Road, P. O. Tollygunge, Calcutta; *No. of Spindles*: 13,000; *No. of Looms*: 100.

D. N. CHOUDHURY COTTON MILLS LTD.,; *Mg. Agents*: Messrs. Choudhury Industries Ltd., 23, Hurrochunder Mullick Street, Calcutta; *No. of Spindles*: 8000; *No. of Looms*: 150.

EMERALD COTTON MILLS LTD., Shamnagar, B.A.Rly. (24 Parganas); *Agents*: Century Agencies Ltd., P. 7, Mission Row, Extension, Calcutta.

JAYANTHI TEXTILE MILLS, LTD.,; *Mg. Agents*: Messrs. R. B. Basu & Sons, 2, Churchlane, Calcutta.

NAIHATTI COTTON MILLS LTD., *Mg. Agents*: Messrs. Bhattacharjee & Co., Cinema Building, Naihatti (24 Parganas).

SHARADESHWARI COTTON MILLS LTD.,; *Mg. Agents*: Messrs. The Textile Corporation, 3-1, Johnson Road, Dacca.

SREE ANNAPURNA COTTON MILLS LTD., Shamnagar, (24 Parganas); *Agents*: Messrs. Chakravarti Mukerjee & Co. Ltd., 214, Cross Street, Calcutta; *No. of Spindles*: 17000; *No. of Looms*: 150.

USHA TEXTILE MILLS Ltd., *Director*: Mr. M. L. Bagrodia, 18, Mullick Street, Calcutta.

UNITED PROVINCES

MODI SPG. & WVG. MILLS LTD., Modinagar (Meerut Dist.); *Mg. Agents*: Messrs. Rai Bahadur Giyarmal Modi & Bros., Mill Premises; *No. of Spindles*: 25000; *No. of Looms*: 600.

NEW INDIA COTTON MILLS LTD., Ghaziabad; *Mg. Director*: Mr. Premchand Gupta, Mill Premises.

MADRAS PROVINCE

KADRI MILLS (C.B.E.) LTD., Oddarapalayam, Singanallur; *Mg. Agents*: Messrs. G. Krishna & Co., Mill Premises.

MURUGANANDA MILLS, LTD., Pettai, Tinnavelly Town; *Mg. Director*: Mr. G. Subramania Pillai, Golden Palace, West Car Street, Tirunnelveli Town; *No. of Spindles*: 12000; *No. of Looms*: 150.

PREMIER MILLS (C.B.E.) LTD., Pulankinar Village, Udamalpet Taluk, Coimbatore; *Mg. Agents*: Messrs. K. Narayanaswamy Naidu & Co., Perivalavadi Dhally Post, Udamalpet Taluka.

RAYALASEEMA MILLS, Ltd., Parvatapuram, Adoni (Dist. Bellary); *Mg. Agents*: Messrs. Rayalaseema Development Co., 349, Victoriapet, Adoni; *No. of Spindles*: 12000.

SHRI KANNAPIRAN MILLS LTD., Coimbatore; *Mg. Agents*: Messrs. K. Venkataswamy Naidu & Co., 5/21, Gopalpuram, Coimbatore; *No. of Spindles*: 7000.

MADURA SRINIVAS MILLS LTD., Tirupparankundram Road, Pasumalai Post; *Mg. Agents*: Messrs. Srinivasan & Co., Madura; *No. of Spindles*: 12000; *No. of Looms*: 150.

SWATHANTHRA MILLS LTD., Makanoor Karur (Dist. Trichinopoly); *Mg. Agents*: Messrs. Swami & Murthy, 68, Car Street, Karur (Dist. Trichinopoly); *No. of Spindles*: 15500; *No. of Looms*: 25.

VIJAYA KUMAR MILLS LTD., Pedappampatti P. O., Udamalpet Taluk, Coimbatore; *Mg. Agents*: Messrs. Guruswamy Naidu & Co., Udamalpet, Coimbatore; *No. of Spindles*: 13500.

TRAVANCORE

BALARAMA VARMA TEXTILES LTD., Shencottah (Travancore State); *Mg. Agents*: Messrs. Karayalar Bros., & Co., Taikar, Trivandrum; *No. of Spindles*: 12000.

VAJAYAMOHINI MILLS LTD., Thirumalal Poojapuri, Trivandrum; *Mg. Agents*: Binsuram & Co., Manacaud, Trivandrum; *No. of Spindles*: 12000; *No. of Looms*: 10.

MYSORE

KAPILA TEXTILES MILLS LTD., Nanjangud; *Mg. Agents*: Messrs. C. P. C. & Co., Gandhi Square, Mysore; *No. of Spindles*: 15000; *No. of Looms*: 300.

SREE GANESAR TEXTILE MILLS LTD., Davangere; *Mg. Agents*: Messrs. G. Mahadevappa & Bros., Davangere; *No. of Spindles*: 25000; *No. of Looms*: 300.

SREE SANKARA TEXTILE MILLS LTD., Davangere; *Mg. Agents*: Murugharajendra & Co., Davangere; *No. of Spindles*: 25000; *No. of Looms*: 500.

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Here are the Figures for the year ending December 1948:

Total number of Spindles at work	..	2,39,422
Total number of Looms at work	..	6,420
Average daily No. of workers on rolls	..	18,000
Quantity of Cotton consumed	..	1,18,942 Bales
Quantity of Yarn produced	..	4,16,00,715 Lbs.
Quantity of Cloth produced	..	4,02,19,198 Lbs.
		i.e. 15,12,34,808 Yards

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